THE CHINA WEEKLY

REVIEW

Devoted to the Economic Political and Social Development of China and the Far East

American [illegible] in China

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The Complicated Cable, Radio and Telegraph Situation!

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The Political Situation Following the Fifth Plenary

Japan's Troubles With American Public Opinion

What and Where are the What About Bergs?

SATURDAY

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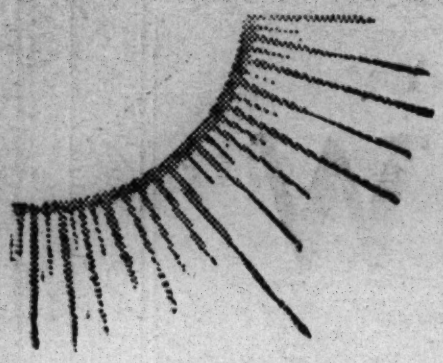

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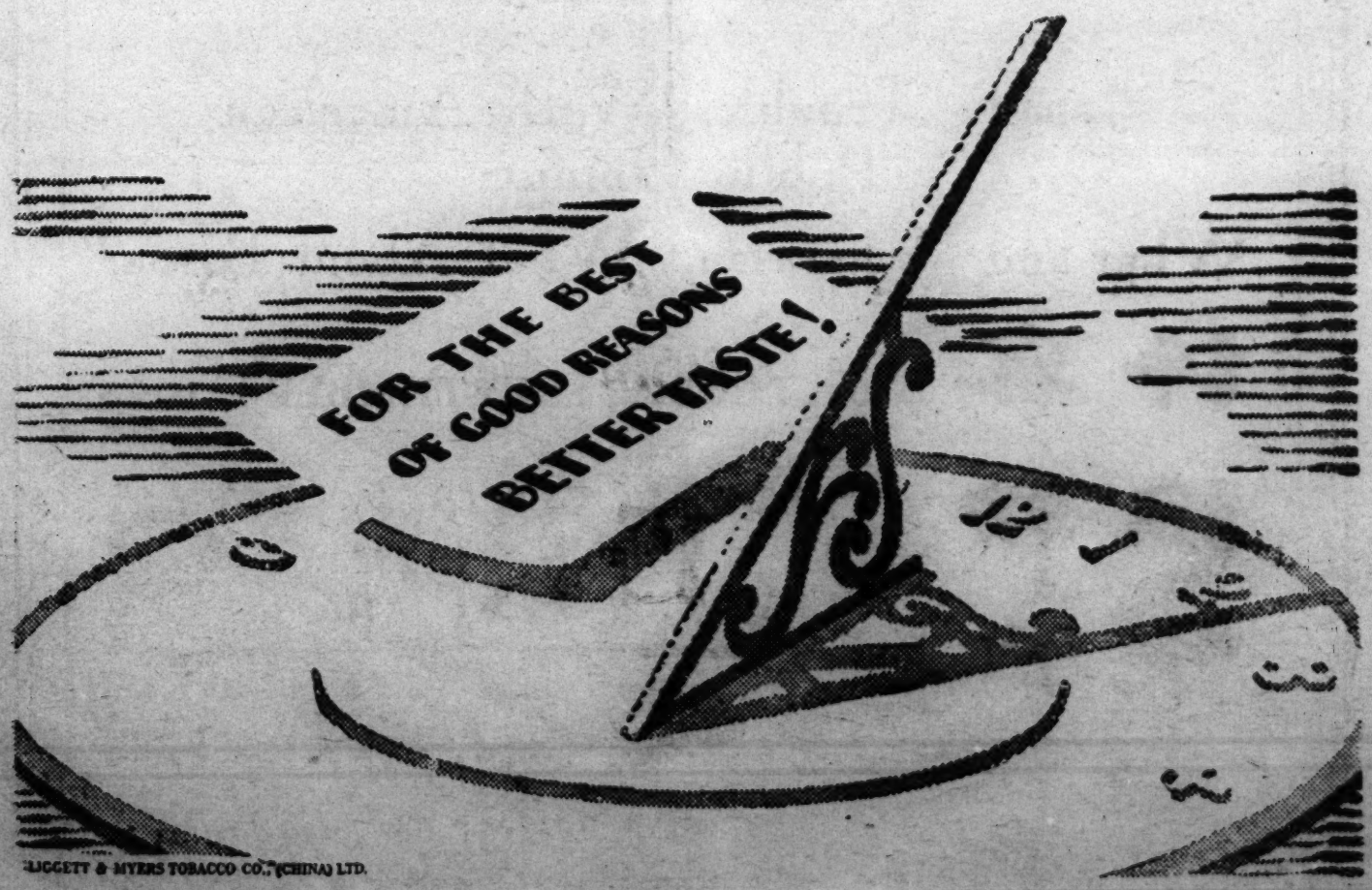

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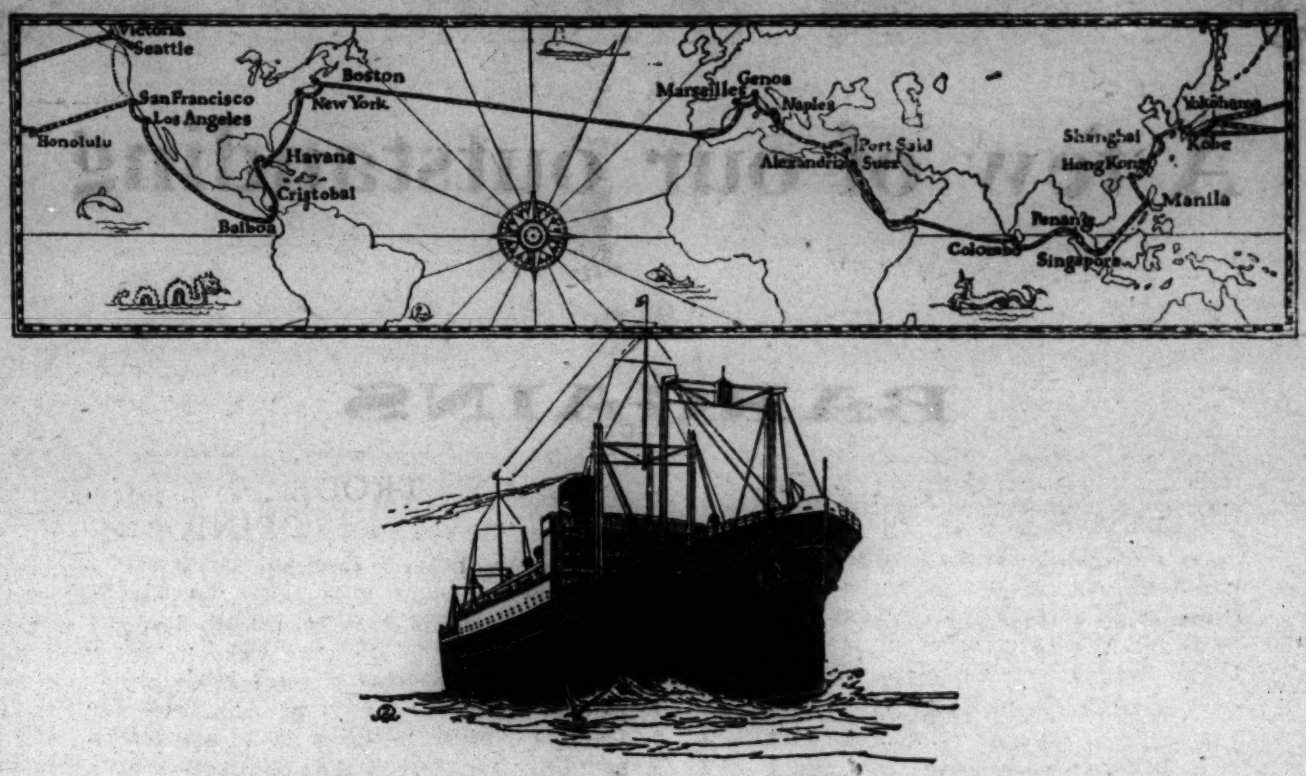

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THE CHINA WEEKLY REVIEW

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JAPAN'S TROUBLES WITH U. S. PUBLIC OPINION

THE JAPANESE GOVERNMENT, according to reports in the semi-official news reports and press of Tokyo, is planning to send a number of high-powered propagandists to the United States for the purpose of explaining to the American people the true virtues of Japanese policy toward China. Which indicates that Japan is not entirely satisfied with the results obtained by her other paid writers and propagandists already in the United States who have been advocating cooperation between America and Japan in a "strong" policy toward China. Among those whose names have appeared in the newspapers as possible members of the new propaganda corps are Viscount Kaneko, Viscount Shibusawa, Mr. Tsurumi, Dr. Nitobe, Baron Fujimura and Dr. Dan Takuma, the latter being a high official of the Mitsui Company. The purpose of this move, according to the press reports, is to convince the American people that Japan has been moved entirely by altruism in trying to block the unification of the Three Eastern Provinces, Shengking, Kirin and Holungkiang, with the Nationalist Government at Nanking. Japan would also attempt to make the American people believe that some 25,000 to 50,000 troops are being maintained in Manchuria and 12,000 troops in Shantung Province, entirely for China's good. Then in addition this new corps of propagandists would attempt to explain to the American people that Japan's opposition to the revision of her commercial treaty with China and her insistance that the old treaty of 1866 is still in force is purely for the benefit of the Chinese people in that it prevents the Chinese Government from increasing the tariff rates on goods imported into China from Japan.

THESE are the major problems which Japan would attempt to explain away by oratorical and journalistic methods, but beyond them there would be many speeches to be delivered about Japan's "highly-important position" as a sort of bulwark against the spread of Russian communism and bolshevism on the continent of Asia. Each of these Japanese publicists would, in all probability, carry with him a set of maps of Manchuria and Mongolia, not to mention the newly discovered territory of "Barga," for the purpose of showing to the American people how necessary it is for Japan to exercise control in these areas in order to prevent Russia from grabbing them. Then finally there would be much to say about the necessity of Japan controlling these areas as a necessary outlet for her surplus population and as a source of supply for her industrial development. It's a rather large program

which General-Baron Tanaka, Japan's militarist Premier and Foreign Minister, has mapped out for the new propaganda corps which we suppose is to be used to replace or supplement the work of those already in America, including Messrs, Kawakami, and George Bronson Rea who fight the battles of the South Manchuria Railway in America and their associates in China, Messrs. Henry Kinney and George E. Sokolsky who perform a similar service in China by getting out literature here for dispatching to the United States. It is probably due to the magnitude of the job that several of the men named in the preceding paragraph have expressed considerable hesitancy in accepting the appointment as unofficial ambassadors to the United States.

GENERAL-BARON TANAKA has been guilty of innumerable blunders in his China policy since he became head of the Japanese Government, but any attempt to bolster up Japan's present "strong-arm" policy toward China by conducting a propaganda campaign in the United States probably would result in a still greater blunder. Practically all of Japan's expensive propaganda campaigns in the United States in the past have ended disastrously for Japan. About ten years ago the Japanese financed an extensive campaign of oratory and written publicity in America on the immigration question, the purpose being to convince Americans that California, Oregon and Washington should be opened up as territories for Japanese coolie immigration. It is reported on pretty good authority that the idea of "quota" immigration, that is immigration based upon a percentage of the nationals of the various foreign countries already in the United States, actually originated with the Japanese propagandists sent to America. Well, after several years of high-powered propaganda, Congress did adopt a "quota" immigration law but owing to the intemperate remarks of the Japanese Ambassador in the United States who began talking about "grave consequences" Congress went ahead and barred the Japanese out altogether. Then, following the Washington Conference the Japanese Government-owned South Manchuria Railway financed an equally extensive publicity campaign in America the general purpose of which was to induce American capitalists to lend their money to the Japanese for the exploitation of Manchuria, hoping in this way to make America a partner in Japan's policy of aggression in China's Three Eastern Provinces. The South Manchuria Railway ran full page advertisements in all of the leading American magazines and newspapers all of which were carefully written to convey the impression that Manchuria was a separate country and not a part of China. The culmination of this campaign came last year when Mr. Thomas W. Lamont and his staff of experts from J. P. Morgan and Company and the National City Bank of New York came to Japan and entered into negotiations with the Japanese financiers for a G.$40,000,000 loan to the South Manchuria Railway. Well, that carefully planned publicity campaign was knocked into a cocked hat in short order when the Nationalist Government and the Chinese Chambers of Commerce and Bankers Associations got busy and explained just what was behind the Japanese attempt to borrow American money for use in the exploitation of Manchuria.

JAPAN'S good propaganda money was thus worse than wasted for when the real facts became known in America, public opinion reacted against Japan with disastrous consequences and the reaction in American public opinion also did not help Morgan and Company and the National City Bank of New York, both of which institutions were and still are suspected of conniving in a scheme to undermine an established American foreign policy in the Far East based upon the Open Door and Equality of Opportunity in Asia. Japan's trouble with American public opinion is a fundamental one which cannot be cured by propaganda no matter how skillfully prepared or extensively disseminated. Japan suffers in American public opinion because of a lack of frankness in respect to her relations with her near neighbor China. Japanese delegates go to international conferences and make promises and affix their signatures to documents guaranteeing the territorial, political and administrative integrity of China and then the Japanese Government, or at least the military clique in Japan, attempts by oblique methods to undo what the Japanese delegates have officially promised. The result is that Japan is always regarded with suspicion in the United States and the more the propaganda the greater the suspicion, a matter recently referred to in the following summary of an editorial from the *New York Times* which was reprinted in the *Japan Advertiser* of Tokyo on August 20,

> "While on the surface Japan's gesture may momentarily end the tension between the Chinese and the Japanese it is Japan's misfortune that now as during the days of the 21 demands she is badly served in regard to publicity.
>
> "This is doubtless due to the inability of the Japanese leaders of the old school to appreciate the role of the press in the modern world. Supervision with an occasional shaping of public opinion is the accepted order in Japan. There is a reluctance to make public in full the documents involving international affairs.
>
> "This is true with regard to the recent Manchuria negotiations with the Chinese Nationalists. All we now have is the presumption that the statement attributed to Premier Tanaka is the official attitude of the Tokyo government but a frank expression that Japan recognizes Chinese sovereignty in Manchuria would immediately remove the apprehension caused by Japanese tactics of the last two months.
>
> "The outside world is entitled to assurances that its hopes about Japan's relations to Manchuria are well founded."

JAPAN STILL HAS 12,000 TROOPS IN SHANTUNG

THE ANNOUNCEMENT of withdrawals of Japanese troops from Shantung Province has led many to believe that the Japanese military forces in the province have been materially reduced. According to authoritative information there are still some 12,000 troops in Shantung Province, about 5,000 being stationed in Tsingtao and the remainder stationed along the Tsinan-Tsingtao Railway, which has been divided into six military zones for purposes of administration. Recently the Japanese War Department sent an engineering corps to Shantung for the purpose of constructing winter quarters at Tsingtao and Tsinan and at the important towns along the 250-mile Tsinan-Tsingtao Railway which including a 20-mile zone of Chinese territory on each side, the Japanese are policing. In several of the important towns along the railway such as Kaomi the Japanese military has completely displaced the Chinese authorities and the Japanese flag is the only emblem of authority to be seen. In Tsingtao and Tsinan, Chinese civil administrations of a shadowy character and composed largely of officials of the old Chang Chung-chang regime, are being maintained. At both Tsingtao and Tsinan the old Chinese five-barred flag is still floating in the breeze alongside the

Japanese flags which fly from the Japanese military barracks nearby. The actual distribution of Japanese troops in Shantung province is given in the following summary which was issued on August 22 by the Chinese *Ta Chung* news agency.

Tsingtao:—The headquarters of the Japanese 3rd Army Division; the 29th Brigade, the 18th infantry regiment, the 34th infantry regiment and a portion of the cavalry, artillery, engineering and commissariat companies.

Tsinan:—Headquarters of the 5th Army Brigade, the 5th Infantry Brigade, the 6th Infantry Regiment and a portion of the 68th Infantry Regiment.

Along the Kiao-Tsi Railway:—Headquarters of the garrison commander is established at Fangtze, the 18th and the 34th Infantry Regiments along the districts between Tsingchow and Kaomi and districts east of Kiaochow are garrisoned by the troops at Tsingtao.

West of Kiao-Tsi Railway:—The headquarters of the garrison commander at Changtien; the 6th and 68th Infantry Regiments at Puchi, Paoshan and Liuchuan. Districts west of Minshui are garrisoned by the troops at Tsinan.

DESPITE the fact that Japan has withdrawn a considerable number of troops from Shantung, the fact remains that they are still in secure control of the Province because the Tsinan-Tsingtao Railway splits the province into two parts and the 20-mile "neutral" zone which the Japanese have established about Tsinan and Tsingtao and along the railway effectively prevents the Chinese authorities from exercising any effective control of the territory. Then to make matters worse the Japanese are still blocking the operation of the Tientsin-Pukow Railway which prevents direct communication between the Lower Yangtsze Valley and the Peiping-Tientsin area of North China, an obviously serious matter from the standpoint of the Nationalist officials who are trying to unify the country. Then on top of everything else there is Gen. Chang Chung-chang, the former bandit-tupan of Shantung with whom the Japanese were previously in alliance and whom the Japanese are now trying to help to get back into Shantung. Since his eviction from Shantung, Gen. Chang Chung-chang and his White Russian mercenaries have been making their headquarters at Shanhaikwan, a town on the Peiping-Mukden Railway about midway between Tientsin and Mukden, where the Japanese also have a strong military force. Recently the Nationalist General Bei Tsung-chi at Peiping has been pressing Gen. Chang Chung-chang to evacuate the Shanhaikwan area and since Gen. Chang Hsueh-liang has no desire to have the notorious bandit leader back in Manchuria, there recently have been unmistakable indications that he was planning to return to Shantung. He has recently made two or three trips on Japanese ships running between Tsingtao, Chefoo and Dairen (Japanese port in Manchuria) and it now appears that he will return to Shantung for the purpose of attempting to restore his authority in the Province with his headquarters within the Japanese "neutral" zone at Tsinan. According to information received from American sources in Shantung, the Chinese in the province are firmly convinced that Gen. Chang Chung-chang is receiving financial support from the Japanese, possibly Japanese interests in Shantung with whom Gen. Chang was previously in partnership and to whom he is alleged to have granted valuable monopolistic concessions, when he was tupan of the Province. Aside from a general boycott of Japanese products and the trade depression which has prevailed in Shantung since the Japanese intervention, conditions remain quiet in both Tsinan and Tsingtao, but according to reports from American sources the Japanese are using their present military position to try to obtain control of the port and harbor works at Tsingtao. Recently a delegation of Japanese merchants accompanied by the representative of a well-known British firm in Tsingtao called on the Director of the Tsingtao Harbor and Wharf Office and demanded access to the accounts, their authority for this action being the Japanese Consul-General.

WHAT AND WHERE AND WHAT ABOUT BARGA?

WE DOUBT whether there is a school geography in the United States or England that indicates the land called "Barga" or its aliases "Barkuth," "Barukh," or "Bargu," but one would imagine from the attention paid to the place in the Japanese semi-official news reports last week that it was one of the most important countries in the world. In order to solve the mystery we find in the last edition of the *China Year Book* that "Barga" is a section of land of some 588,053 square li (one li is equivalent to one-third of a mile) located south of the Siberian border between North Manchuria and Mongolia. Most of Barga is west and south of the Sino-Russian-owned Chinese-Eastern Railway. It's a wild country with a population of approximately 50,000 Mongolian nomads, which works out at the rate of about eleven to the square li. The Mongol inhabitants of Barga are ruled by Mongolian princes who are subject to the authority of the Chinese rulers of Holungkiang, Province of North Manchuria. Barga is actually a part of Holungkiang Province, but like most of the territory in that part of China is the object of intrigue on the part of Japanese, Russian and Chinese interests. So much for the background: now for the plot!

ABOUT two weeks ago a band of Mongols, probably bandits, raided the Chinese-Eastern Railway and by removing some rails caused the wreck of a train. The damage was repaired in a few hours and according to latest reports the Chinese troops of Holungkiang Province have routed the bandits and chased them back to their mountain strongholds. This should have ended the story, but unfortunately it was only the beginning, for out of this bandit raid the Japanese propagandists have constructed a "story" which has been telegraphed all over the world and from the emphasis placed upon the subject, one would imagine that the officials of foreign offices of the world's leading Powers are gravely shaking their heads and forecasting another world catyclism having its focus in Barga. The Japanese, semi-official press services such as *Toho*, which distributes news to the press in China, have magnified the Mongolian bandit raid on the Chinese-Eastern Railway as a sinister Bolshevik plot designed to throw all North Manchuria into anarchy and communism—hence necessitating the despatch of more Japanese troops to Manchuria. The Japanese Foreign Office is reported as "watching the situation closely" and considering it as a "matter of gravest importance." Japanese Consuls in Manchuria happened to be holding a conference at the time so they are also reported as being "seriously concerned" and fearing "grave consequences." These reports from Japan were naturally cabled all over the world and as a natural result the Soviet Russians are also disturbed, hence we have reports from Moscow that the Soviet Government is also investigating the situation and sending out reports that the Mongolian bandit raid must have been inspired by Japanese and White Russians for the purpose of providing Japan with an excuse for sending troops into North Manchuria.

THUS is news created and another crisis manufactured in the Far East! Of course, we have no way of knowing what inspired the Mongolian nomads of Barga to raid the Chinese-Eastern Railway. The chances are they were after loot like most bandits in China or Chicago. But since it happens to have occurred in Manchuria somewhere within a thousand miles of the location of a Japanese drug store or barber-shop in South Manchuria, the Japanese propagandists are sure that Japanese "interests" are being menaced, hence General-Baron Tanaka, Japan's militarist Premier and Foreign Minister must send troops. The Japanese have no interests whatever in Barga or within 300 miles of the place. The Russians do have an abstract interest in the area since the Chinese-Eastern Railway passes near the area. Mr. Roy Chapman Andrews, the American archaeologist, might have an interest in Barga as a possible location for another nest of petrified dinosaur eggs. It is said that the Mongolian tribesmen in Barga would like to get away from Chinese control and transfer their allegience to Mongolia, but even this is purely speculative. Therefore, as indicated in the foregoing, we can see no particular reason for becoming excited and overturning Mr. Kellogg's anti-war pacts, because of something which is alleged to have happened in Barga. But there is no telling what the Japanese propagandists may make out of it, for according to latest reports the Japanese troops in South Manchuria have been mobilized as a result of the "serious situation" in Barga and as a result of this the Chinese are worried again and are planning to send Mr. Tanaka another note.

S. M. C. POLICE RAID FOREIGN OFFICE BRANCH

SEVERAL WEEKS ago the Ministry of Foreign affairs of the Nationalist Government opened an office in Shanghai for the purpose of supplying local foreign and Chinese newspapers and newpapers abroad with information pertaining to Chinese diplomatic affairs. The office, which is known as the Publicity and Intelligence Bureau of the Ministry of Foreign Affairs, was previously located in the Chinese-American Bank Building on Nanking Road, but recently removed to No. 25 Jinkee Road. Since the opening of the Shanghai office there has been issued a weekly bulletin or survey of matters pertaining to China's foreign affairs, the same being of considerable value to newspaper editors and foreign newspaper correspondents interested in keeping in touch with this subject. About two weeks ago there was issued an illustrated pamphlet giving China's side of the Tsinan affair, copies of this also being supplied to local newspapers and foreign chambers of commerce. The local American Chamber of Commerce distributed copies of the booklet dealing with the Tsinan affair to all of its menbers, the pamphlet being accompanied by a letter from the secretary of the Chamber. Whether the distribution of the pamphlet giving the Chinese side of the Tsinan affair had anything to do with it is not known, but on Tuesday, August 28 the police of the International Settlement suddenly appeared at the office and without previous notification or authority of any kind searched the premises and after confiscating a number of copies of the Tsinan booklet, closed and sealed the office. Among the officials of the Ministry of Foreign Affairs who where present at the time of the police raid was Mr. Yang Kwangshen a Councillor of the Ministry, who is now serving as one of the Chinese members of the Chinese-American Commission which is assessing the damages incidental to the Nanking incident of last year. Previously Mr. Yang was connected with the Chinese Legation in Washington, D. C. and is well acquainted with Washington officialdom. Another preminent Chinese official present was Dr. Chu Chao-hsin, Vice Minister of Foreign Affairs, who recently has been appointed Chinese Minister to Japan. These Chinese officials immediately reported the action of the Shanghai Municipal Police to Dr. C. T. Wang, Minister of Foreign Affairs at Nanking, who has brought the matter to the attention of the local consular body through Mr. Wunsz King, Commissioner of Foreign Affairs at Shanghai. What inspired the Shanghai Municipal Police to conduct a raid on the Shanghai office of the Nationalist Ministry of Foreign Affairs is not known; it may have been pure bone-headedness, but since the police only confiscated copies of the pamphlet giving the Chinese side of the Tsinan incident, it would appear that the inspiration may have come from the Japanese who have done everything possible to suppress the Chinese point of view on this question. The surprising phase of it is that the Municipal police should have taken action to suppress the distribution of Chinese literature on the Tsinan incident when the Japanese have recently been openly distributing literature here giving their side of the affair. It is to be hoped that the incident will be quickly settled as a purely local affair and not be magnified into a "diplomatic" incident connected with the matter of the establishment of Chinese Government offices in the International Settlement. There is supposed to be an old municipal regulation somewhere which prohibits the Chinese Government from establishing offices in the Settlement but the Chinese Government has never recognized the regulation in view of the fact that the entire International Settlement is Chinese territory.

BRITISH WOULD ASSIST IN CHINA RECONSTRUCTION

A BRITISH syndicate has been formed for the purpose of assisting in the recontruction of war-ravaged China, according to a *Reuter* message from London on August 24. The message stated that valuable contracts are about to be signed with the Nationalist Government and that another syndicate is negotiating to build roads and railways in Chekiang and Kiangsu Provinces. Whether there is anything back of these reports further than a desire on the part of someone to promote a new company, cannot be determined at this time. But the report is interesting nevertheless since it indicates that commercial and financial interests in England are beginning to feel more confident regarding conditions in China. This is good news and the British are to be congratulated on their foresight. There is great opportunity for foreign assistance in the reconstruction of China and if foreign firms are willing to come into China under new conditions and with a fixed idea that this is China and not a semi-colonial dependency of the foreign powers, there is vast opportunity for cooperation. It was significant that the report from London stated that a *new* syndicate was being formed, which indicates that British commercial and financial interests are planning a new start with new personnel. As it is difficult to teach an old dog new tricks, so it will be difficult for the so-called "old-established" firms in China to adapt themselves to new conditions. One reason why German firms have been so successful in regaining their China trade since the World War has been due to the fact that they returned to China with a clean slate and largely with new personnel and under new or "equal" treaty conditions. There is no

longer any place in China for the "Old-China-Hand" or "taipan" who received his education in China during the past decade and who has always looked upon the Chinese as mass a of uneducated inferior people fit only to consume cheap foreign goods sold through a compradore. As we write this we have in mind a well-known American import and export house in China, the managers of which during the past two years have spent a considerable portion of their time and effort in trying to induce the American Government to intervene in China. Well, the American Government didn't intervene and a new order of things has come in China. There is no longer any place in the picture for this firm and if the proprietors at home were wise they would wind it up and start over again with a new personnel capable of understanding NEW CHINA. Again we congatulate the British on their foresight and at the same time express our regret that American industrial and financial interests at home are not also on the job!

CHINESE COMPETITIONS IN THE MOTOR CAR BUSINESS

THE Shanghai Horse Bazaar & Motor Co. Ltd. is another of the old established Shanghai foreign firms which is feeling the effects of competition from younger and more aggressive organizations. It was revealed at the annual meeting held August 23, at which no dividend was paid, that the Bazaar's overdraft at the banks amounted to Tls. 212,173 23, which is more than U. S. Cy. $135,000. The Bazaar is agent for a number of well known makes of motor cars, mostly British, but also one or two American. It was in the sale of new cars that the Bazaar had felt the pinch most, its sales having dropped by more than one-third as compared with last year. On this point, Mr. A. W. Burkill, who is a partner in one of Shanghai's oldest business houses, presiding, said: "Competition in the motor car business is growing keener and keener and there are many small garages which seem to spring up in the night and who often have to sell the cars they represent at little or no profit in order to meet their commitments, thus making it very difficult for responsible garages, who are willing to carry out their obligations, to make money." Mr. Burkill then went on to speak of decreasing the overhead. As with many of the older Shanghai institutions, which seem somehow or other to be unable to keep up with the modern trend of the times, supervision seems to have been very lax. One is surprised to learn, for example, that the Bazaar's late compradore is a debtor for a sum of Tls. 30,000. On this point the chairman at the meeting, said, "A change has been made in our method with the new compradore, and the money he has in hand is reduced to a minimum; he is no longer required to make all disbursements on the company's account, and these are checked every day." The Bazaar was originally exclusively a livery stable, but some years ago, with the advent of the automobile, it extended its activities to include the motor field.

China's Complicated Radio, Telegraph and Cable Situation

BETWEEN 1896 and 1901 China entered into a series of agreements with foreign telegraph and cable companies, chiefly of British and Danish nationality, which conferred monopolistic privileges upon these companies from the standpoint of protection against other foreign competition. The two companies chiefly concerned in these agreements were the Great Northern Telegraph Company (Danish) and the Eastern Extension Australasia and China Telegraph Company (British) both of which have always worked together in the Far East. Later, after the American occupation of the Philippines the Commercial Pacific Telegraph and Cable Company (American) entered the field and constructed a cable across the Pacific from San Francisco to Hawaii, Guam, Manila and Shanghai. The Commercial Pacific Company, although an American registered firm, is, however, owned to the extent of a majority of its shares by the Danish and British companies, hence is a part of the so-called "cable trust" which enjoys monopolistic facilities in respect to cable communication between China and other countries.

The clause in these various agreements which confers monopolistic privileges, reads as follows, the wording being similar in all of the contracts,

> "That in the interest of both parties to the Agreement, dated the 13th of May, 1897, and for the same term of years, that is till the 31st of December, 1910, no other party will be allowed without the consent of both the said parties to land telegraph cables on the coast of China and islands belonging thereto, or to work such cables in connection with the Chinese lines, or otherwise to establish telegraph connections which might create competition with or injure the interests of the existing lines belonging to China or to the Great Northern Telegraph Company of Copenhagen."

These contracts, similar to other treaties and agreements negotiated by China with foreign companies and Governments during the latter half of the last century, were intended to run for periods of ten years, there usually being an extension clause permitting continuance of six or twelve months for negotiation of a new agreement following the actual termination. In 1901, however, the Chinese Telegraph Administration at Peiping made an agreement with the Great Northern Telegraph Company "extending up to the 31st of December, 1930, all existing Agreements and Concessions between it and the Comanies." The Chinese Government granted this extension in consideration of the offer of the foreign cable companies to extend their lines from Shanghai to Taku (Tientsin) and touching at Weihaiwei and Chefoo in Shantung Province. The record of this extension is contained in a British "Treasury Minute" regarding the Chefoo-Weihaiwei Telegraph Agreement of April 24, 1901, which was made shortly following the Boxer Rebellion.

Since wireless communication was not known at the time these cable and telegraph agreements were negotiated, there naturally was no thought of competition from the air, hence China in 1918 and 1919 negotiated further monopolistic agreements covering radio communication both within China and between China and foreign countries. These agreements were negotiated with Mitsui and Company (Japanese), the Marconi Company (British) and the Federal Telegraph Company of California (American). The Japanese contract which was negotiated with the Chinese Ministry of the Navy on March 5, 1918, contained a clause reading,

> "Whereas, it is mutually agreed by both parties that during the term of 30 years no other party shall be allowed to erect a similar wireless telegraph station for communicating telegraphically with Japan, Europe and America and neither may the Chinese Government itself erect an installation....."

The Marconi contract was negotiated with the Ministry of War on May 24, 1919, and while it did not contain a monopolistic clause barring the Chinese Government from erecting other stations, it did provide for the creation of a Sino-British company to manufacture wireless telephone equipment which was granted a practical monopoly for the production of wireless apparatus. The American, or Federal

Telegraph Company's contract was signed on Jan. 8, 1921, and while not monopolistic in character it provided for the construction of a powerful station at Shanghai capable of communicating with America and Europe and in addition for the construction of "feeder" stations in various parts of China. The American contract was negotiated with the Ministry of Comunications.

China thus found herself tied up in three contracts with foreign firms for the construction of wireless telephone and telegraph systems, one being with the Ministry of the Navy, another with the Ministry of War and still another with the Ministry of Communications. Each of the three contracts were negotiated with separate ministries of the Chinese Government and apparently no one of them knew of the contracts being negotiated with the other two ministries, because when the American contract was published on June 9, 1921, both the Japanese and British firms protested on the grounds that the American Federal contract infringed their concessions and a short time afterwards the Danish and British cable companies also protested that all three of the wireless concessions infringed the cable agreements. Then to add further complications to the situation, Secretary Charles E. Hughes of the U. S. Department of State sent a sharp note to the Chinese Foreign Office on July 1, 1921 demanding that the Chinese Government carry out the American wireless contract on the grounds that both the British and Japanese concessions as well as the old cable contracts violated the principles of the Open Door to which Japan, Britain and Denmark were committed.

As a result of this confused situation China finds herself today practically without wireless communication with the outside world and with very limited wireless communication within China. There are a few foreign government controlled stations in China, one each in the Japanese and American legation compounds in Peiping, a French municipal station in the French Concession at Shanghai and one or two Japanese stations in Manchuria. The Washington Conference on February 1, 1922 passed a resolution which limited these foreign government-owned stations in China to strictly government business and also provided for the stations ultimately to be taken over by the Chinese Government, but nothing has been accomplished, further than a declaration of the Chinese Government that it "does not recognize or concede the right of any foreign Power or nationals thereof to install or operate, without its express consent, radio stations in legation grounds, settlements, concessions, leased territories, railway areas or other similar purposes." In addition to this resolution the Chinese Government, about eight years ago, banned the importation of all radio equipment on the ground that radio transmission and receiving apparatus are "instruments of war" and hence contraband the same as guns and ammunition. This governmental regulation has not, however, been strictly enforced and has resulted in the wholesale smuggling of receiving sets at the various Chinese ports. They are imported as "electrical equipment" and apparently have succeeded in getting past the customs inspectors in most cases.

Since the confused cable and wireless situation existing in China is but one phase of the complicated problem existing in all phases of communication in China, including the railways, telephones and telegraphs, the present Minister of Communications, Mr. Wang Peh-chun, called a National Communications Conference which met in Nanking on August 10 for the purpose of considering these matters. The conference was attended by some 150 delegates interested in communication from the various provinces, railway lines and government departments interested in the communications problem. This Conference on August 17 made public a series of resolutions dealing with the questions of the cable and wireless contracts which provided for a revision of the agreements signed between China and the Eastern Extension and Great Northern Companies and the annulment of the Japanese Mitsui Wireless Agreement on the ground that they infringe upon China's sovereign rights. The Conference also threatened an annulment of the agreement with the American Federal Telegraph Company on the ground that ten years have elapsed since the contract was signed and nothing has been done by the Company to carry out its part of the understanding. The resolution dealing with these matters urged the Nationalist Government "to take this opportunity to regain our lost rights so that China can have a free hand in dealing with international communications."

Intimately connected with the subjects of cable and wireless communication is that of the telegraph system within China which was started in 1881 and has been extended throughout the country with some 57,000 miles of land-lines now in operation. Under the original agreements the cable companies make quarterly payments of a percentage of their revenues from foreign telegrams to the Chinese Telegraph Administration. In accordance with agreement made in 1911, these payments for a period of eighteen years were pledged as security for a foreign loan to be repaid in thirty-six half-yearly installments. The present status of this loan, which is supposed to have expired this year, is not known, but a complicating element is provided by the fact that the Chinese Telegraph Administration owes the foreign cable companies more than $5,000,000 (silver) covering the cost of cables transmitted abroad by the cable companies on behalf of the Chinese Telegraph Administration. What has happened is that the Chinese Telegraph Administration has received the money from the senders of telegrams but has not paid it over to the foreign cable companies. The Chinese Telegraph Administration, in recent years, has suffered from the same complications which have affected the Chinese Government Railways. In other words the militarists have taken most of the revenues which has had the effect of forcing the telegraph administration to default on its obligations to the foreign cable companies and in addition has caused a general deteriorization of the service to such an extent that it is frequently possible to despatch letters to interior points in China and have them arrive ahead of telegrams sent to the same destination.

That the problem of cable, telegraph and wireless communication within China and between China and foreign countries is one of the most serious and pressing in the reconstruction program is admitted by Chinese and foreigners alike. Obviously there should be cooperation because much of the trouble of the past has been due to the unrestricted competition of foreign interests plus the ignorance and venality of old Chinese officialdom. This is particularly true in respect to the radio problem since it has been largely due to the competition of British, American and Japanese interests in China that the situation has been deadlocked for the past decade and China is still without radio connection with the outside world. Then in addition to the competition of the Americans, Japanese and British the Germans recently have entered the field and according to report may he awarded valuable contracts for the erection of stations at Shanghai and elsewhere. From the standpoint of the Chinese they should take early steps to unify and centralize under the control of the Nationalist Government their various means of telegraphic and wireless communication in order to prevent wasteful competition. If this could be accomplished the Government would then be in a better position to negotiate with foreign firms on the readjustment of foreign contracts and for the utilization within China of the latest discoveries in the field of modern communications abroad.

China's Final Reply on the Tsinan Incident

BY A CHINESE EYE-WITNESS

THE author presents to the public his observations in the following narrative upon the Tsinan Incident in the most unbiased spirit. These observations are based not upon hearsay but upon personal experience; for he was in Tsinan in those troublesome days between May 3 and May 10, and during all that time received firsthand knowledge of affairs through constant contact with military leaders and foreign consuls.

In order to fix the responsibility for the incident one has to go back to the time when Japan despatched her first contingent of 1500 troops to Tsinan on April 28. The Northern soldiers had then lost their fighting spirit and the capture of Tsinan by the Southern army was a matter of time. Under pretext of self-defence, the Japanese soldiers mapped out three areas which they placed under their special control. The Japanese Consulate, the Yokohama Specie Bank, and the Tsinan Hospital form their respective centers, covering half the commercial area. All main entrances to the city from the commercial area were blocked with sand bags and barbed wire barricades. Beside, military telephone stations were established everywhere and motor cars laden with ammunitions were running about in the streets in broad daylight. As a result, the Chinese civilians in the vicinity of these areas experienced great uneasiness.

On the morning of May 1 the Southern troops under the command of General Fang Tseng-wu and those under General Liu Shih entered by the North Gate and the East Gate respectively. As the direct route to the Tuchun Yamen, their common destination, was full of Japanese soldiers, in order to avoid any possible clash these Nationalist soldiers, worn out and weary, were compelled to take a circuitous route—and in territory under their country's sovereignty!

To disinterested spectators this was already outrageous; to these veterans, who had long harbored suspicion of Japan's intrigue their indignation must have been intense.

According to the Japanese declaration, the sending of troops into China was solely for the purpose of protecting the lives and property of Japanese residents. But was this the real motive? One cannot but doubt it.

On the evening of May 1 a tragedy occurred at about half past four o'clock, when six Japanese soldiers in front of a cinema house stabbed to death a Chinese pedestrian who was dressed in a gray silk gown covered with a green satin coat. The latter, for reasons unknown, had been trying to step within the Japanese defense line. One of the Japanese soldiers attempted to turn him away with a gun, but the man kept going forward at a slow pace. All of a sudden, another Japanese soldier pulled out his dagger and thrust it into the man's breast. Then a third Japanese came along and pierced the dagger through the man's shoulders. Blood splashed in all directions, and the poor fellow fell dead on the spot.

Directly after this the Japanese soldiers turned their guns towards the crowd who had been watching the event in great terror, thus putting them to flight. Then the Japanese carried away the corpse in a piece of cloth, and removed the blood stain by turning over a layer of earth. This being done, they resumed their positions as pickets with an attitude betokening great contempt of the Chinese. The poor victim, entirely unarmed, was far from being able to do the Japanese residents any harm. If the Japanese soldiers wanted to prevent him from entering their defense line, they might have easily done so by arresting him. But instead of this, they put him to a cruel death. Could such action be said to be indispensable to the protection of Japanese residents?

When General Fukuda arrived with his army at Tsinan from Tsingtao, he addressed his soldiers in very strong terms as follows:—"As soon as the order for firing is issued, all of us should do our very best to annihilate our enemies so as to keep up the prestige of our great Empire." This was in the afternoon of May 2, when the Southern army had already been at Tsinan for one day. Things were going on smoothly, and there was not the slightest likelihood of Japanese lives and property being endangered. Evidently the strong tone in Fukuda's address was not warranted by existing conditions, but not totally contrary to the declaration of the Japanese Government.

Japanese Pile up Sand Bags

On the following day the unhappy incident occured. As I was not then on the spot, I am not in a position to say which side started firing. It was reported on the Chinese side that the Japanese fired the first shot, while the Japanese put the blame on the Chinese by saying that Chinese soldiers looted Japanese stores.

The Japanese further argued that by removing the sand bags and barbed wire barricades in the evening of May 2, they exhibited clearly that they had no intention to create trouble. The foreign Consuls at Tsinan also talked this way. In reply to this argument, I should like to point out that towards the evening of May 2, I personally witnessed, from the upper story of a building facing the Japanese Consulate, many Japanese soldiers piling up sand bags and digging (big trenches underground) in the back yard of the Consulate. This was also witnessed by Mr. Sung Peh-chin, a friend of mine, who was then with me in the building. If the Japanese had really intended to remove the barricades, why all this trouble of piling up sand bags? Furthermore, since May 3, except in the case of absolute necessity for the purpose of self-defence, the Southern army never fired a single shot at the Japanese, notwithstanding the fact that inside and outside of the South Gate and all the way from the Pu Li gate to the East Gate were stationed 300,000 odd Chinese soldiers, all well equipped with ammunitions and excited to a high degree of indignation. These soldiers said to one another that in case General Chiang Kai-shek should issue an order for attack, they could readily anhihilate and exterminate the 1500 Japanese then stationed in Tsinan within the short space of two hours, but they only regretted that the order was not forthcoming.

Granting the argument that the trouble was started by Chinese soldiers looting Japanese stores, the Japanese ought to have settled the matter by peaceful means, especially in view of the fact that the Chinese not only refrained for the first eight hours from using force against the Japanese, but also solicited the good offices of the foreign Consuls with a view to settling the dispute peacefully. But as it happened the Japanese immediately destroyed the Chinese Wireless Station, and kept bombarding the city on May 4, 5, 6 and 7, killing without mercy a goodly number of helpless, innocent people. What prompted the Japanese to such atrocity was utterly beyond me to understand.

Another thing which I wish to point out is that the report on the Tsinan Affair which Japan sent to the League of Nations was not entirely in accordance with the facts.

1—The report says that the Japanese soldiers did not know the place to be the Bureau of Foreign Affairs where Commissioner Tsai Kung-shih was murdered.

2—The Japanese declared that the 12-hour Ultimatum was justified on the ground of practical necessity, saying that if the time limit had been longer, the lives of all the Japanese in the city would have been endangered.

As a matter of fact, the Bureau of Foreign Affairs had been established there for years; over the gate there was its sign board written in Chinese characters. Furthermore, since directly opposite and on both sides of the Bureau were many foreign residences and Japanese business stores, and since also Chinese and Japanese languages are somewhat similar, and that quite a number of Japanese soldiers were in Tsinan how on earth could it be possible that they did not recognize the Bureau of Foreign Affairs? When the news of the murder of Tsai Kung-shih became known, the Japanese press flatly denied its truth. It was only when the fact could no longer be suppressed that the Japanese excused themselves by saying that the soldiers did not know the place to be the Bureau of Foreign Affairs. Ignorance is no excuse for murder.

The Twelve-Hour Limit

As regards the second point, the Japanese had utterly no ground for the belief that an extension of the 12-hour limit would have involved all the Japanese in danger, inasmuch as about 40,000 to 50,000 Southern soldiers had already evacuated the city, and more than 100,000 soldiers had crossed the Yellow River from Hsin Chuang, with huge quantities of military supplies. This was witnessed by all the foreign Consuls at Tsinan. There remained in the city only 2,000 Chinese soldiers of whose presence General Fukuda was notified by General Chiang Kai-shek prior to the latter's departure for Taian on May 6.

From the foregoing analysis, it is evident that Japan had her ulterior motives in sending her troops into China.

On April 20, I called on Mr. Nishida, Japanese Consul at Tsinan, with whom I got acquainted about ten years ago. On being asked as to the number of Japanese residents at Tsinan and the number of Japanese soldiers to be sent into China, he replied in a rather hesitating way, "There are 2,196 Japanese residents at Tsinan, and about 5,000 Japanese soldiers would be sent to China." When I said smilingly that this would provide two soldiers for the protection of one resident, he added that, besides lives, there was property to be protected. Now, with the exception of the staffs in the Yokohama Specie Bank and

the Tsinan Hospital, all the Japanese business men at Tsinan were small traders, having neither fixed professions nor big capital investments. A mere proclamation on the part of the Japanese authorities would have been sufficient to remove these Japanese traders to a place of safety.

According to an announcement by the Japanese Government Japanese investments in Shantung were distributed as follows:

Tsinan	Yen	7,335,000
Poshan	„	1,211,000
Changtien	„	800,000
Fangtse	„	331,000
Tsingtao	„	14,881,000
Total	„	156,558,000

A glance at these figures reveals the fact that of Yen 156,558,000, which Tanaka, the Japanese Premier declared as the Japanese property to be protected, Yen 146,881,000 was invested in Tsingtao. It is evident that Japan sent her troops to Tsinan as well as to Tsingtao not so much for the protection of the Yen 156,558,000 worth of property as for the guarding of Yen 9,570,000 worth of interests along the Kiao-tsi Railway.

Another point to be noted is that the Japanese Government appropriated Yen 1,600,000 for the first despatch of troops and Yen 13,000,000 for the second despatch, totalling Yen 14,600,000. This is a vast sum in comparison with the total wealth to be protected.

The Japanese Government expressed the fear that the entrance of the Southern Army into Tsinan might block the traffic of the Kiao-tsi Railway. Now since May 1 the Northern Army around Weishien and Kaomi had entirely lost their fighting spirit, and the military officers of the Chihli-Shantung Army were making preparations for departure, changing their place of abode three times a day and hiding in the battle-ships at night. If the Japanese Government had merely aimed at the protection of Japanese investments, they should have hoped for an early evacuation of Tsingtao by the Northern Army. But at the end of two weeks, the Northern Army east of Weishien still remained intact, and up to now a part of the Northern soldiers is still at Tsingtao where they are trying to organize themselves into a police force. On the other hand, even the executive staff of the Southern Army was denied entrance into Tsinan. Can it be said that the Japanese Government had kept its promise that it would maintain a strictly neutral attitude towards both parties?

On May 8, the Japanese troops attacked Tangkiachuang which is situated 38 li from Tsinan and which, besides Tsinan itself, constitutes the only route through which the Southern Army could march to the North. On May 14, the Japanese used their aeroplanes to throw bombs at Tsing Pu Ping Kwan, an important office of the Southern Military leaders at Taian which is situated 180 li from Tsinan. Could such action be justified on the ground of necessity for the protection of Japanese residents?

The atrocities committed at Tsinan during the incident are too terrible and heart-rending to describe. It has been reported that the number of corpses collected from different hospitals at Tsinan by a Red Cross organization immediately following the attack of Tsinan by the Japanese came up to 120. These corpses presented unmistakable signs that the victims had gone through indescribable torture before death. Indeed the whole thing is an outrage ton humanity and will leave a permanent stain on the modern history of human civilization.

Railway in Shansi to be Built by Disbanded Soldiers

The Taiyuan Division of the Central Political Council, according to a recent telegram from Taiyuanfu has decided to commence the construction of a railway connecting Shansi with Szechuen. The section of the railway linking Tatung with Taiyuan will be started first. Disbanded soldiers from the Third Group Army are to be employed in the construction work.

Chinese Ratepayers Oppose Greyhound Racing

There is growing opposition in the Chinese community of Shanghai and also in most sections of the foreign community, against the evils of greyhound racing, which was introduced into Shanghai during the present year. There are at present two courses devoted to this sport in the International settlement and one being promoted for Frenchtown. Several more were about to be formed, but the Municipal Council nipped them in the bud by announcing that no further licenses for greyhound racing would be issued.

At a largely attended meeting of the Chinese Ratepayers Association held August 25 addresses were made denouncing the existence of these greyhound courses and letters were circulated to the higher authorities requesting that they be suppressed. It was stated that the Chinese public had been losing money heavily as a result of the betting and that crime had been greatly increased thereby.

Dr. C. T. Wang, Nationalist Minister of Foreign Affairs, in the course of his address, said:

"It is a shame to tolerate these sports in society, but the opening of the greyhound courses has had even worse consequences. It is like legalizing gambling and encouraging crime in the foreign areas. If the foreign authorities do not feel that they can stop such crimes, they should definitely say so and allow the Chinese Government, the real owners of the territory, to do it. It is requested that you will instruct the Municipal Councils to seal the greyhound courses in order to maintain peace and protect civilization."

Radio Corporation Threatens to Sue if Nationalists Abrogate Contract

According to a special Washington dispatch, dated August 18, to the *Japan Advertiser*, the general counsel of the Radio Corporation of America announces that a claim for breach of contract will be filed against the Chinese Nationalist government if it carries out its reported intention of canceling the $13,000,000 contract with the Federal Telegraph Company.

The Radio Corporation officials at the date mentioned had not yet been notified that the cancelation was imminent but they had taken cognizance of the recommendation of the Nationalist communications conference urging abolition of the concessions.

The concession in question for the construction of five international radio stations was granted in 1921 shortly after the Chinese government had granted a similar concession to Japanese interests.

The Radio Corporation has in the meantime instructed its representatives in Washington to confer with the State Department regarding the enforcing of the contracts regardless of the change of regime in China.

It was stated in Washington that if the cancellation is actually ordered there was no recourse but to institute proceedings for the damage through the regular channels.

FOREIGN AND CHINESE CAPITAL IN THE PHILIPPINES

This cartoon, which is reproduced from the *Philipine Education Magazine* of Manila and which was entitled "Logic?" is intended to convey the idea that while the Filipino politicians are keeping foreign capital out of the Islands, Chinese capitalists are coming in and monopolizing all of the native resources.

Honan After a Year of Feng's Administration

BY CHEN TSUNG-HSI

MARSHAL Feng Yu-hsiang, otherwise known as the "Christian General" among foreigners, is not only a marvelous military leader, but also a brilliant administrator. He disciplines his troops well, so well that he is often regarded by them as their father. So even without any remuneration but only with a bit of bare bread, they stick to him very closely and faithfully.

The same holds true of the regions he rules. He loves people and people love him. It is the mutual love which leads him to administer and administer successfully and satisfactorily. Take Honan for example. Prior to the influx of Marshal Feng, Honan was skating on the edge of bankruptcy financially, politically, educationally, industrially and commercially. Moreover, she was in disorder. Her people were panicstricken by the lawless acts of the so-called "Red Spear Society" and the bandit-natured soldiers. Feng came to the long-suffering province in June of the previous year (1927) after an easy blow against Fengtien forces. Since then things began to change thro the energetic and brilliant leadership of Feng. At present a new Honan has been in shape. To be sure it is far from perfect. Feng knows that he has done much; and he also knows that much still remains for him to do. The writer takes it for granted that within five years Honan must be an ideal province of China it Feng continues to rule.

Much Constructive Work

So much for that. Now let us survey the constructive work done by Marshal Feng in Honan.

(1) *Motor Roads*—Under the existing conditions of China, the construction of motor roads is comparatively easy. Feng sees the idea. So he constructs or improves the long-distanced motor roads in Kansu, Shansi amd Honan. There was the motor road from Ling Pao of Honan to Tung Kwan of Shansi totalling more than two hundred li in length. But it has been spoiled and out of use for a long, long time. Marshal Feng then instructed the Vice-Director of Provincial Road Construction Bureau, Chao Sin-yu, to have it improved within two months. It is learnt that the work has been completed; and cars have run smoothly and comfortably.

(2) *Public Parks*—It is true that where there is no park, there is abundance of gambling and prostitution. In order to have places of recreation on the one hand and to overthrow the evil institutions on the other, more public parks ought to be cultivated. Now at Kaifeng and Chengchow, which can well represent the civilization of Honan, exhibit many attractive public parks as never before. Space does not permit to describe all of them. But to picture one is of course indispensable. The people's garden at Chengchow where are planted dozens of beautiful flowers and trees, where is erected the late Sun Yat-sen's portrait, where are provided the public playground, public library, people's school and what not, is the one just newly opened. It is said that more than five hundred people visit the garden every day.

(3) *Houses for poor people*—Even at a glance one can easily see at Honan many poor and ragged people. They have no homes as we have. They usually shelter in huts on the river bank or even in caves. On seeing their plight Marshal Feng decided to build a large building with 6,000 rooms for the poor near the new station of the Lunghai railway. The writer has been informed that a part of the building has been completed recently.

(4) *Chia Lu Ho*—The Chia Lu Ho finds its source from the south west of Chengchow and runs thro Peisha, Chungmao, Chu Se Chung to Ta Sha Ho. Before the 13th year of the Emperor Kwangshu, boats could sail from Chow Chia Ho to Chengchow. Later due to the break of the Yellow River, the river became conglomerated. As years went by, the conglomeration ran higher. Then not to say that no sailing was possible, harms were done by the river, especially in the time of heavy raining. On seeing the situation Marshal Feng made up his mind to repair it. He took the measure immediately. Now under his auspices an office has been organized. And, the work is just under way. Should it be completed, the commerce of Chengchow must be more prosperous than at present.

(5) *Schools for farmers*—In Honan farmers occupy two-thirds of the entire population. Most of them received no education at all on the ground that education was too aristocratic for them from the money point of view. Now due to the administration of Feng education has been democratic. There are people's schools opened especially for the farmers and their children. The curriculum follows: Three People's Principles, History of the Kuomintang, Common Sense, Mathematics, Music, Song, National Language, Art and some others.

Educating the Workers

(6) *Schools for laborers*—Schools for laborers in Honan are more extensive than those for farmers. At Chengchow there are two schools, established recently, one of which is only for the children of laborers and another is a supplementary study for laborers themselves. The former is provided with three classes. Its students total 86 in number. It has the curriculum similar to the farmers' schools. The latter, on the contrary, open from half-past four to half past five every afternoon. It has also three classes and has 94 students in all. Its curriculum is Three People's Principles, Letterwriting, etc. Schools of such a nature can be found elsewhere at Kaifeng, Suchow, Yechen, Sin-hsiang.

(7) 苗圃—Marshal Feng has given instructions to all districts of Honan to the effect that each district should prepare 300 mao of land 苗 for the future use of protection against floods and the break of Hwang Ho. Each district has undertaken the work rather warm-heartedly.

(8) *Farmer Movement Committee*—This committee is organized by the members of the special party section of the Second Group Army, Chengchow Farming Disciplinary Institution, Chengchow Municipal Party Section and Chengchow Farmers' Association. It aims at promotion and improvement of farming and its methods. Moreover, it is also motived to spread the Three Peoples' Principles among farmers. It also engages advisers who are usually experts at farming. Its resolutions are referred to farmers for application. History proves that the work of the committee is admirable.

(9) *Labor Movement Committee*—Identical to the foregoing under (8).

(10) *Model Districts*—It is also a marvelous enterprise of Marshal Feng that three districts formerly the rendezvouz of bandits have been turned into model areas. They are now named "Fraternity district." "Equality district" and "Liberty district."

(11) *Social Halls for laborers*—This is also a new thinig in Honan. Since there are too many railway laborers especally at Chengchow, Honan, it is quite necessary to have social halls for them. Recently there has been erected a big social hall at Chengchow in which one can freely enjoy ping-pong, chess, music, flutes and many other means of recreation and refreshments. At Kaifeng and Suchow we have similar establishments.

(12) *Social Halls for farmers*—The same with the social halls for laborers. According to statistics there are more than four hundred farmers enjoying the place every day.

Needless to say the above is not a complete record of all that Marshal Feng has done for Honan. They are only some of the things accomplished in the busy revolutionary period that the writer has observed when he served under him.

Wang Chun-hwei Talks on the Tsinan Incident

Dr. Wang Chun-hwei, Minister of Justice, on his arrival at Hongkong on August 14 from France, interviewed by press correspondents, was questioned about the atttitude of Europe towards the Tsinan incident. He replied, "Since the incident occurred, the Japanese tried to do propaganda work favorable to their side. Telegrams from Tokyo were sent every day to Europe, their reports being partial and exaggerated. As the Japanese authorities have prohibited the Chinese from taking photographs of the scenes of the incidents, all the pictures sent to Europe are fabricated by the Japanese, and, are far from truth. Also owing to the difficulties of communication, news of the incident sent from China was received only every five or six days. So at first the Europeans were almost moved by the Japanese propaganda and thought China responsible for the incident. However the truth can not be veiled, and now they are beginning to understand the true situation. The Japanese may make whatever reports unfavorable to China they like, "but Japan has fundamentally done wrong to China by sending troops to Shantung. Let us be bold to fight against them to gain the last victory, because we have right and justice on our side."

Shriners from America on Second Visit to Far East

About forty members of the Islam Temple, Ancient Arabic Order of Nobles of the Mystic Shrine, arrived in Shanghai from the United Statesby the s. s. *President Taft*, August 24. The Shriners were in the Far East several years ago. After stopping for several days in Shanghai, where they were the guests of "Nomad" Oasis, they proceeded to Manila, whence they will return to Shanghai, September 13.

China Gets Copy of Paris Peace Pact

R. S. Cunningham, U. S. Consul General in Shanghai, August 29, sent to Wunsz King, Commissioner of Foreign Affairs in Shanghai, for transmission to Dr. C. T. Wang, Minister of Foreign Affairs, the text of the Kellogg treaty outlawing warfare, which was signed by fourteen Powers, at Paris, August 28. In the letter of transmission, Mr. Cunningham pointed out that in the draft treaty proposed by the United States, specific provision was made for participation in the treaty by any and every Power desiring to identify itself therewith and this same provision was to be found in the definitive instrument signed in Paris. "In these circumstances," "wrote Mr. Cunningham, "I have the honor formally to communicate to Your Excellency for your consideration, and for the approval of your Government, if it concurs therein, the text of the above mentioned treaty as signed today in Paris, omitting only that part of the preamble which means the several plenipotentiaries."

The text of the Treaty signed in Paris is as follows:

"The President of the United States of America, the President of the French Republic, His Majesty the King of the Belgians, the President of the Czecho-Slovak Republic, His Majesty the King of Great Britain, Ireland and the British Dominions beyond the seas, Emperor of India, the President of the German Reich, His Majesty the King of Italy, His Majesty the Emperor of Japan, the President of the Republic of Poland, deeply sensible of their solemn duty to promote the welfare of mankind:

"Persuaded that the time has come when frank proscription of war as an instrument of national policy should be made to the end that the peaceful and friendly relations now existing between their peoples may be perpetuated:

"Convinced that all changes in their relations with one another should be sought only by pacific means and be the result of peaceful and orderly process and that any signatory Power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this treaty.

"Hopeful that encouraged by their example all the other nations of the world will join in this humane endeavor and by adhering to the present treaty as soon as it comes into force, bring their peoples within the scope of its beneficeut provisions, thus uniting the civilized nations of the world in a common renunciation of war as an instrument of their national policy;

"Having decided to conclude a treaty and for that purpose have appointed as their respective plenipotentiaries (here follows the list of plenipotentiaries) who, having communicated to one another their full powers found in good and due form have agreed upon the following articles:

"Article I. First, solemnly declare in the name of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

"Article II. The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

"Article III. The present treaty shall be ratified by the High Contracting Parties named in the preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at Washington.

"This treaty shall, when it has come into effect as prescribed in the preceding paragraph, remain open as long as may be necessary for adherence by all the other Powers of the world. Every instrument evidencing the adherence of a Power shall be deposited at Washington and the treaty shall immediately upon its deposit become effective as between the Power thus adhering and the other Powers parties hereto.

"It shall be the duty of the Government of the United Stated to furnish each Government named in the preamble and every Government subsequently adhering to this treaty with a certified copy of the treaty and of every instrument of ratification or adherence. It shall also be the duty of the Government of the United States telegraphically to notify such Governments, immediately upon the deposit with it of such instrument of ratification or adherence.

"In faith whereof the respective plenipotentiaries have signed this treaty in the French and English languages, both texts having equal force, and hereunto affixed their seals.

"Done at Paris the 27th day of August in the year one thousand nine hundred and twenty-eight."

Face and Country

By Charles James Fox
(In the North China Star)

More of the attention of the busy world today is centered on the Plenary Session of the Kuomintang at Nanking than on any other happening throughout the globe just at the present time. Yet while people in all countries are watching hopefully, if somewhat dubiously, for the present Government of China to accomplish something to justify the recognition generally being accorded it, some members at least of the Central Executive Committee appear to be centered only on themselves and chiefly on their face.

While the Chinese, and much of the rest of the world, are hoping for something that will "save China," some pouting or sulking members of the Central Executive Committee seem to be bent on saving their own face first and the country afterwards, if at all. And it is not only some of the leaders who are guilty of this grave folly; many of their followers are so wrapped up in their pet heroes that they remind us of the little boy who, when watching his father march past in a company of infantry on parade, suddenly called out, "Look, Mother, everybody's out of step but Father!"

Face is a great thing in China and may generally be regarded as a virtue. But like many ideas, if carried to extreme, it ceases to be a virtue and becomes a vice. We have known some, and have heard of many, Chinese prominent in public life who, however unconsciously, always appeared willing to sacrifice their country to save their own face. This we fear is the trouble with some of the members of the Central Executive Committee.

Patriotism is one of the crying needs of China today, and yet it seems seldom to occur to Chinese public men that real patriots are willing to sacrifice a little face to save their country.

Former Hongkong University Professor to Assist in China's Reconstruction

John Nind Smith, whose name was mentioned in connection with *Reuter's* report from London August 24, dealing with plans of a British syndicate to reconstruct parts of China, was formerly a member of the faculty of Hongkong University. During the progress of the anti-British strike which developed in Canton in 1925, Mr Smith made trips to Canton and spent considerable time with leaders of the Cauton Government, following which he returned to Hongkong and made several speeches dealing with the situation, showing that the policy of the Hongkong Government toward South China was wrong and was responsible for the trouble which had developed between Canton and Hongkong. As a result of these addresses, the Governor of Hongkong and certain officials of the Colony brought pressure to bear upon Hongkong University and forced the retiring of Mr. Smith from the faculty. In view of this situation, it is very interesting to note that he is now attempting to promote a number of commercial enterprises which would take advantage of the present reconstruction program in China.

Father Froewis Is Released at Sinyangchow

Father Froewis, the Australian priest who was captured by bandits on August 6 at Singyangchow has been released through the efforts of Mr. Yang Kwang-yu, chairman of the Sinyangchow Chamber of Commerce. His captors at first demanded $50,000, but finally, when threatened with military action, agreed to release him for a payment of $400 as "face money." Father Froewis was unhurt.

Linking the United States and Far East By U. S. Wireless

A recent *Reuter* telegram from New York stated that a strong bid is to be made for the control of the trans-Pacific communications business by the International Telephone and Telegraph Corporation. Before the end of the present year the Corporation proposes to erect five wireless stations which will link the United States with the Far East. These stations, which will all be on American territory, will be erected at Palo Alto (California), Honolulu, Guam, Manila, and Midway Island.

The Anti-Japanese Boycott in Bangkok

A recent issue of the Bangkok *Daily Mail* gives details of police activities to prevent the Chinese from boycotting Japanese merchandise. Various goods shops were searched and when literature urging a boycott was found the owners of the shops and also the printers were arrested. Among the rumors current throughout Bangkok, the same paper reports, was that fifty young Chinese imbued with patriotic ideas had been "imported" to said city to see that the boycott was enforced.

American Commercial Attache Writes Valuable Book

Julean Arnold, American Commercial Attache in China, has written a valuable treatise on "Some Bigger Issues in China's Problem," published by the Commercial Press, in a atlas size, with an appropriately illustrated cover, and accompanied by three informative charts.

The three fundamentals to the successful transition of China from a medieval to a modern economic, social and political society, as outlined by Mr. Arnold, are: (1) Economic transportation, (2) the increase of individual productivity through educational and labor-aiding devices, (3) and the appreciation by the individual of the responsibility of trusteeship. In a rather jocular way Mr. Arnold terms the above, America's "Three People's Principles."

On the subject of the necessity for a modern transportation system in China, Mr. Arnold cites the fact that the average cost of transporting grain or other cargo over American railways is about one-fifteenth of the cost in China, where the poor human beast of burden competes with the animals in transporting goods, the cost by each method being about the same. It costs as much in China to move a picul (133 lbs.) as it does to haul a ton in the United States. The Dakota farmer is about as far from Seattle as the Shensi farmer is from Shanghai. Shensi, not having good transportation facilities, cannot lay down wheat as cheap in Shanghai as can the Dakota farmer, despite the fact that the latter has to pay the freight across the Pacific ocean. Shensi is taken as a typical example There are other districts in a much worse position.

The construction of railways in Manchuria is shown to have placed the soya bean in the markets of the world, and today beans and bean products are gradually displacing silk as China's most valuable export. The construction of railways in Manchuria is also cited as probably being responsible for the fact that twenty millions of Chinese have migrated to that part of the country.

Mr. Arnold says that in the past China has been paying $100,000 gold per mile for its railways—this should be cut in half. He mentions that now that much heavier locomotives are required in the United States, used locomotives suitable for service in China may be purchased in the United States at very reasonable prices.

One of the charts published with Mr. Arnold's book shows the density of population in various parts of the country. The chart makes it evident that the population is poorly distributed. Adequate interior transportation would solve this problem. Mr. Arnold explodes the idea that motor transportation might be the "thing" for China, as opposed to railways. He points out that in China, as in America, the bulk of the freight will be heavy material to be carried over long distances. Motor transportation as compared with railways for this class of cargo would cost about eight times as much as railway transportation.

A second chart compares the economic position of the individual in China and in America. In China the per capita consumption of iron is one-one-hundred and-thirtieth of what it is in America.

A third chart shows America's comparative position in the world of industry and trade. America by making good use of its economic resources has been able to gain a world preeminence out of all proportion to its population and area. China is about the same size as the United States and offers the same possibilities for development.

"China," says Mr. Arnold, "has nothing to fear from the possibilities of the colonization of foreigners in its country."

Dr. Hu Shih in a preface to Mr. Arnold's book says, "Let us remember that it does no discredit to a nation to learn from others."

Export Trade from China to U. S. A. During July was Generally Dull

The statistics compiled by the U. S. Consulate General at Shanghai of the exports from the whole of China to the United States show that a total of $9,537,818 was exported during the month of July, and that the total for the seven months from the beginning of the year was $86,512,015. It will, therefore, be seen that the mid-summer has seen a considerable slump in the average volume. Silk, wool and skins show up poorly. The total for the month of raw silk was $4,057,441, which is a very poor showing for this article. Sheep wool shipments for the month amounted to $760,719, which is also far below the average. The total for the month of inedible animal products (except wool and hair) came to less than three million dollars, whereas the average monthly export is more than four millions. A growing trade is being done in bean cake meal, of which $142,815 was exported. There was a fair trade in bristles, the total for the month being $432,479. Wood oil trade was good, the total for the month being $1,562,529—for seven months, $7,751,103. All figures are U. S. gold.

Pope Pius Sends Message to China

The following is a translation of the Message sent in the French language to the Chinese people by Pope Pius recently. The Message was received by Dr. C. T. Wang. Nationalist Minister to China, last week.

To the most Reverend Bishops of China and dear Sons, Priests and Faithful, and through them to all the great and most noble Chinese people:—

The Holy Father, who has followed and is still following with the keenest interest the course of events in China and who has been the first to treat China not only on a footing of perfect equality but with an attitude of real and very special sympathy by consecrating with his own hands, in Rome in the Basilica of St. Peter, the first Chinese Bishops, is rejoicing heartily and thanks the Almighty for the end of the civil war and at the same time is making vows that a lasting and fruitful peace, internal and external, should be established, a peace based on the principles of charity and justice.

To obtain this peace, His Holiness wishes that the legitimate aspirations and the rights of a people, the most numerous on the earth, should be fully recognized. This people has an ancient culture, it has had times of grandeur and splendor, a great future will surely be its part, if it maintains itself in the ways of justice and order.

The Holy Father's will is that the Catholic missions do their best for the peace, the welfare and the progress of China, and according to what he has already written in his letter of June 15, 1926 "*Ab ipsis Pontificatus primordiis*" addressed to the Bishops of China, he now repeats again, that the Catholic Church professes, teaches and preaches the repect and obedience to the legitimate constituted authorities, and that She asks for Her missionaries and faithful the liberty and security of common law.

To the same Bishops His Holiness recommends as the achievement of the evangelical work, the organization and the development of the Catholic action, in order that the faithful of both sexes, and specially the dear youth, by prayer, work and action should also bring their due share to the peace, the social welfare and the grandeur of their Fatherland, by making always better known the holy and salutary principles of the Gospel, and by helping the Bishops and priests to spread the Christian idea and the individual and social benefits of Christian charity.

His Holiness, repeating his wishes and prayers for the peace and prosperity of China and supplicating God Almighty to hear them with all the warmth of his heart, bestows on all his Paternal and Apostolic benediction.

CARDINAL GASPARI

Permanent Phi Beta Kappa Society for East China to be Organized

A committee consisting of C. L. Boynton and C. P. Ling has been appointed, looking toward the organization of a permanent Phi Beta Kappa Society in East China. A meeting was held in Shanghai August 27 of the local members of the Phi Beta Kappa, the oldest of the national honor fraternities, when Dr. D. Willard Lyon, one of the secretaries of the National Committee, Y. M. C. A. was initiated as an alumnus member. Hollis A. Wilbur, a member of the Ohio Wesleyan University chapter, conducted the initiation, assisted by Dr. John Y. Lee of the University of Chicago.

American Chamber Distributes Chinese Bulletin on the Tsinan Affair

The American Chamber of Commerce in Shanghai on August 28 mailed out to its members an illustrated booklet giving the Chinese side of the Tsinan incident. The booklet was accompanied by a letter, signed by Warren Manley, secretary of the Chamber, suggesting that members of the Chamber might be interested in reading it.

About two weeks ago the Chamber mailed out a similar pamphlet publisheld by the Osaka (Japan) Chamber of Commerce giving the Japanese side of the Tsinan incident.

China Selects Five Envoys to Foreign Countries; One is Woman

Announcement was made during the week that the posts of Chinese Ministers to Germany, Great Britain, the United States, France and Japan had been decided upon and that their appointment will be officially announced.

Chu Chao-hsin—Minister to Japan.
Dr. Alfred Sze—Minister to the United States,
Hsia Chi-feng—Minister to Great Britain.
Quo Tai-chi—Minister to Germany.
Miss Soumay Tcheng—Minister to France.

Consul Yada Says Boycott Is Effective at Shanghai

(From the Japan Chronicle, Aug. 21)

Mr. Yada, the Japanese Consul-General at Shanghai, who has been recalled by the Government, arrived in Kobe on August 19 on board the *Shanghai-maru* and immediately entrained for Tokyo. Interviewed by a representative of the *Jiji* on the train, the Consul-General said that he saw both General Chiang Kai-shek and Dr. Wang Cheng-ting, the Foreign Minister of the Nationalist, on the eve of his departure for home. He was not in a position to disclose the details of these interviews, but he could assure the *Jiji* representative that both were earnestly desirous of the Sino-Japanese treaty being successfully revised. The repudiation of the treaties was decided upon by the Committee of the Nationalist Government, and consequently the rumor was groundless that Dr. Wang would have to quit office over the issue. He appeared elated over the conclusion of the new Sino-American treaty and the settlement of the Nanking affair. His Note to the Japanese Government regarding the repudiation of the Sino-Japanese Treaty of Commerce was evidently intended as a *ballon d'esai*. His true intention was perhaps to arrange for the revision of the treaty by compromise. Although the Nationalist Government insisted upon the conclusion of a treaty with the Japanese Government on an equal footing, it was not apparently going to defy Japan's vested rights and interests. The unification work was making steady progress, and the Chinese people generally were supporting the Nationalist Government, in the belief that it would be able to achieve the grand work of unifying China. It was, of course, undeniable that there were differences between the Kwangtung and Kwangsi elements. The rivalry between General Chiang Kai-shek and General Feng Yu-hsiang might be compared to the rivalry that existed between Toyotomi Hideyoshi and Tokugawa Ieyasu in the history of Japan. Both were ambitious to make themselves master of China. These differences were, however, due to complex domestic conditions in China, and would be a mistake to take them as meaning a sharp split in the ranks of the Nationalist Government. There was a rumor that General Chiang Kai-shek would retire from office. If the rumor was well-founded, the Consul-General said, his retirement presumably meant his resignation of the Chairmanship of the Executive Committee. It was, however, problematical whether his resignation would actually take place. Even if he quitted office, he would continue to exercise such influence in the Nationalist Government, and there would be no substantial change in the general situation.

The "Advice" to Mukden

It was undeniable Mr. Yada further remarked, that the friendly advice tendered by Baron Hayashi and Mr. Hayashi, the Consul-General at Mukden, to General Chang Hsueh-liang, warning him against a compromise with Nanking, was regarded with hostility by the Nationalist Government as an instance of interference with China's domestic affairs. As to whether General Chiang and Dr. Wang was optimistic or pessimistic at the outlook for the projected compromise with Mukden, the Consul-General said that he was not in a position to say, but both appeared to believe that the general trend of affairs in China was moving in the direction of the unification of the North and South. In view of the presence of Eugene Chen and other Communists among the Northerners, the Nationalist Government seemed to be generally suspected of Communistic tendencies, but Mr. Yada assured the Press representative that the present policy of that Government was of a conservative tendency. The Government had no Russian advisers in its employ, though it had German advisers. In the opinion of the official quoted, the Japanese view of the Nationalist Government was at fault in some respects.

Referring to anti-Japonism in the South, with Shanghai as the centre, Mr. Yada said that although ostensibly the anti-Japanese situation appeared not to be growing worse, because of the abstention of anti-Japanese agitators from violent acts, the boycott of Japanese goods was, as a matter of fact, being carried on vigorously. An anti-Japanese association had been organised among Chinese students and others for the avowed purpose of securing damages from Japan for the dispatch of troops to China, and these anti-Japanese Chinese were levying fines on Chinese shops handling Japanese goods. The amount of the fines collected in this way was said to have reached $200,000 already in Shanghai alone. The Chinese authorities were conniving at this, saying that as the conduct was patriotic and was not accompanied by violence, they could not exert control over it. Although there had been no marked decrease in the amount of Japanese exports to China on this account, there was a big congestion of goods at Japanese warehouses at Shanghai, and now warehouses were being built to cope with the situation.

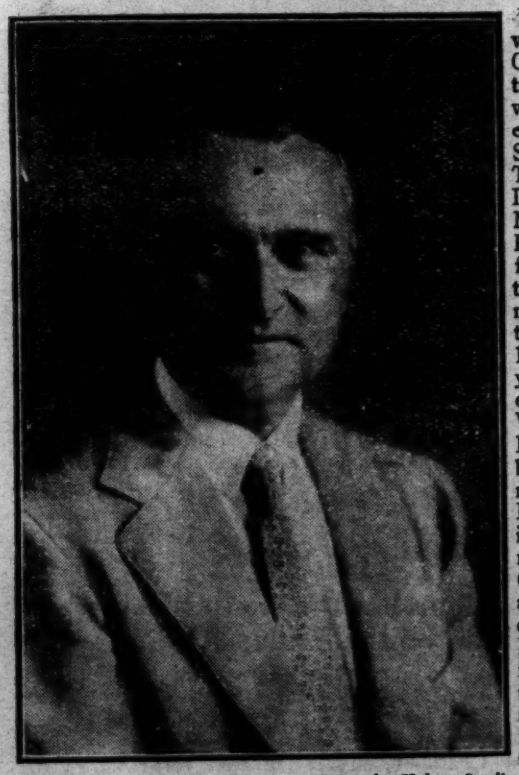
PREMIER EXPRESSES CONTEMPT FOR CONSUL'S PRIVATE OPINION

(From the Japan Chronicle, Aug. 22)

In a Press interview, General Tanaka the Premier, is quoted as saying that if Mr. Yada, the Consul-General at Shanghai, favors a compromise with the Nationalist Government and discountenances the insistence of the Government on the withdrawal of the declaration in regard to the repudiation of the Sino-Japanese Treaty of Commerce by the Nationalist Government, it represents Mr. Yada's personal opinion, and it is by no means the view of the Government. An official who is in contact with local conditions only is apt to form a jaundiced view. As has been repeatedly declared by the Government, Japan cannot consent to open negotiations for the revision of the treaty with a Government which is so unscrupulous as to repudiate a treaty arbitrarily. It was not because the views of Mr. Yada ran counter to the policy of the Government that he has been recalled. It was for the double purpose of hearing his opinion of the Nationalist Government, with which he has been in direct contact, for reference in shaping the future course of the Government and to make him fully understand the policy of the Government, lest he should take a faulty step in dealing with the Nationalist Government.

Referring to the situation in Mongolia, the Premier says that he is in possession of various information, for instance, that the Soviet Government is pulling the wires in the background of the independence movement for Mongolia and that the Mukdenites are bent upon recovering control over the Chinese Eastern Railway at the present opportunity. As however, there is no reason why Japan should wax anxious about events which are occurring in a foreign country, the Government does not feel called upon to take any action. All it has to do is to watch the developments of the situation quietly.

The German Minister to China



—*Photo by Kobza Studio*

Dr. Herbert von Borch

Dr. Herbert von Borch, the German Minister to China, who concluded the recent Sino-German Treaty with Dr. C.T. Wang, Minister of Foreign Affairs, first entered the German diplomatic service in 1901, in which year he arrived in Peking. When the European war broke out he returned to the Foreign Office in Berlin. He returned to China in 1920 as the Head of the German Mission, and in the following year he negotiated the first Sino-German treaty of 1921. Four years later he again returned to the Foreign Office in Berlin and was appointed Consul to Japan, attached to the Embassy there. He was later appointed as Minister to China. Dr. von Borch is married and has two children. He has made a deep study of the Chinese language, and speaks the venacular fluently. In a recent interview he stated that there were about 1,500 Germans in China and that they were doing well. In this connection it is interesting to note that the *Chun Hwa* news agency quotes Dr. von Borch as saying that it only took six hours to have the Sino-German treaty concluded, as there was sincerity on both sides; that as to matters on commerce and tariff, negotiations will be held later and that the legation will later remove to Nanking, all depending on instructions from Berlin.

American Policy in China

BY SILAS H. STRAWN

President of the American Bar Association; one of the delegates of the United States to the Chinese Customs Tariff Conference; Chairman of the Commission on Extraterritorial Jurisdiction in China, 1925-1926

(Reprinted from the Annals of the American Academy of Political and Social Science for July, 1928.)

THE great difficulty with most of us in the Occident is that when we survey the Orient, and especially China, we are compelled to see the situation with Occidental eyes. We cannot place ourselves in a position where we can see it as the Oriental sees it. We must go there with different ideas about government and society, and with all those feelings that are inherent with us. Therefore, when we visit China or talk about China we must approach the subject with the consciousness that, although we are eye-witnesses, we are not always the best witnesses.

The Need for Educational Opportunities

I went to China, of course, with no preconceived notions. My instructions from the Secretary of State were to survey the facts. I had no job to preserve; no ambitions to further; I had no propaganda to promote, and, of course, I couldn't let my emotions sway my judgment.

China, as you may perhaps know, is a very large country. Larger than the United States, Mexico and Central America combined. More than one-fourth of the people of the earth live in China. A country of great diverity of climate and great diversity of natural resources. About 97 per cent of the people of China can neither read nor write in their own language. By that statement I wouldn't wish to be understood as inferring that the Chinese are at all stupid—quite the contrary. The educated Chinese, with whom I came in contact, were very superior intellectually. For example, Dr. Wang Chung-hui, with whom I worked for a year, translated the German Code into English—the German Code of Law. He is a great student and linguist, and represents the Chinese Government in the Hague Court. I dare say there are many representatives on that Hague Court who are not so good lawyers as is Dr. Wang Chung-hui. He is an exception, of course, because they have no educational opportunities. That is the great need of China, and the salvation of China in the future depends upon education. When those people have the opportunities presented to them, they are eager to learn, they avail themselves of every opportunity, for, as I said they are not inherently stupid. I had a weakness, playing golf, and whenever I had a chance, I indulged myself in that pastime. I was particularly impressed by the alertness of mind of the little Chinese caddies—keen and wide awake—not stupid in any way, but it is pathetic that they must grow up almost in dense ignorance, because they have no opportunity for an education.

The Chinese have many different dialects. The Cantonese can't understand the Pekingese. They have no means of communication. In all that vast territory, they have about seven thousand miles of railroad as against two hundred and sixty-five thousand miles in the United States. Then, of late years, the railroad equipment, when it is not being used for transportation of troops, is used for the billeting of soldiers, so that the people most of the time have no use of the railroads.

Political Conditions

China became a republic by proclamation in February, 1912. It is very unreasonable to assume or expect that a country, an absolute monarchy for thousands of years, could evolve itself into a republic built upon Occidental lines in the short space of fifteen years—quite impossible to expect that that could be accomplished. Many patriotic citizens of China have been struggling to evolve something like an orderly republic out of that chaotic situation, but lack of means of communication and the illiteracy of the people make it difficult.

The Tariff Conference and the Extraterritoriality Commissions

Our policy toward China has been very well stated by Dr. Hornbeck (In an article reprinted in *The Review* on Aug. 25, 1928) All that I can do is to add a little of my personal experience in our efforts to do two things. The two things are the Tariff and the Extraterritoriality Commission. Both of these tasks came out of the Armament Conference in Washington in 1921 and 1922. For many years prior to that time the Chinese had complained they didn't have sufficient tariff with which to function their government. For many years, since 1844, the tariff in and out of China has been 5 per cent, the same on exports and on imports. Personally I think that tariff is sufficient and all the poor Chinese ought to be forced to pay, but the war lords and politicians thought they ought to have mreo, and so the Powers said: "All right, we will appoint a commission and give you all the tariff the traffic will bear." I happened to be one of two delegates to that conference. The Washington Conference concluded in 1922, but due to a complication between China and one of the Powers, the commission didn't get going until October of 1925.

When I left the United States for China the situation was quite peaceful. The government was then being functioned by Tuan Chi-jui, a very estimable Chinese gentleman, appointee of Chang Tso-lin and Feng Yu-hsiang. On my way across the Pacific Chang and Feng began to fight. Chang claimed that Feng was disloyal to China in that he was receiving aid and comfort from the Soviets; and Feng on the other hand, insisted that Chang was a traitor because he was receiving aid from the Japanese.

Conference at Peking

When I arrived in Peking I found ten very estimable gentlemen, well worthy of representation of any country, who represented China on the Chinese Customs Tariff. Part of those gentlemen were selected as the nomineccs of Feng and part as the nominees of Chang. Shortly after my arrival there Feng got control of the Peking area, which necessitated these men nominated by Chang fleeing to foreign concessions, which they did. They went to Tientsin. I think I should have gone if I had been in their place, because it is the custom in China, quite different from that in some parts of this country, that when one differs from another politically, it is just as well that he absent himself temporarily if he happens to differ from the party in power. Later on when the scene shifted, when Chang in collaboration with Wu Pei-fu got control of the Peking area, it was necessary for the Feng men to disappear; so that by the first of April, 1926, out of the ten Chinese delegates, with whom we went there to confer, seven had gone, leaving but three on the other side of the table. Tuan Chi-jui, the chief executive, had gone. The three remaining gentlemen, very patriotic, of course, had no power to conclude any negotiations with us. As Dr. Hornbeck has told you, we had been told by the Cantonese that they would not recognize any negotiations that we might conclude with the existing government; therefore, since April 1926, there has been no government recognized by the Chinese as representative of the whole country.

We worked along with the Chinese experts, who were very intelligent and industrious, and our experts came to an accord, substantially, with the Chinese experts as to a tariff schedule. The difficulty under which these Chinese gentlemen labored was the importunity of the war lords to get more tariff. They were not interested in whether it would preclude any revenue—what they wanted was the money. The peril we saw was that the tariff would be put so high that it would yield no revenue.

Obedient to the mandate of the tariff treaty that was made in Washington, we had the right immediately to give to the Chinese 2½ per cent increase upon their necessities, and up to 5 per cent upon their luxuries. It was estimated that would yield an additional revenue totalling thirty million dollars, but the Chinese refused that, saying they wanted a hundred millions, and if we gave them thirty, we would "run out" on them before we gave them any more. We said we didn't come 10,000 miles to run out on them; that we were there to give them all the tariff the traffic would bear, but obedient to our promise would give them thirty millions at once. Afterwards it was amusing to see seven out of the ten Chinese delegates, including the Chairman, who expressed the fear that the foreign delegates would "run out" on them, "run out" on us. The three Chinese who remained had no authority to conclude an agreement and so we were unable to consummate any tariff arrangement. That situation still obtains.

The United States is ready and willing, and I may say, anxious, at the earliest possible moment when there is anything in the form of a government which represents—not all of China, but any consistent integral part of China—to resume negotiations looking toward the revision of the tariff.

The Treaty with China

So far as the United States is concerned, I claim we have no unequal treaties with China. The treaties we have were made in good faith, both as to the tariff and extraterritoriality. I maintain that with nations as with individuals, it is customary to abide by contracts or agreements until they are changed. If a treaty is objectionable to a nation, it should insist that it be changed, but until changed in an orderly way, treaties should be observed. I do not understand that the thoughtful Chinese charge us with having any unequal treaties, except that they want the tariff changed, which we are ready and willing and anxious to do as soon as they have any recognized government in China with which to confer.

If, yielding to the enthusiasm of some of our emotional people, we were to enter into negotiations with some part of China, every other part would protest that we were recognizing

some part. Therefore, we cannot do anything except to be patient and bide our time, in the hope that the opportunity may present itself when we shall be able to enter into negotiations with some dependable government which represents some part of the Chinese people. I insist, so far as we are concerned, that we did everything humanly possible to bring about with the Chinese an agreement for more tariff. I don't believe that it was the intent and purpose of any of the nations to do anything else than to come to accord with the Chinese.

Present Conditions in China

We see a good deal just now about the aggressive controversy going on in Shantung between the Japanese and Chinese, and I have been asked what I thought about it, whether I thought it was the beginning of war between China and Japan. I don't think so. I think that it will not be anything very serious, because I don't believe that the Japanese want any war with China. All the Japanese want is to sell their cotton goods to the Chinese, and I doubt very much whether the Japanese, even if they were disposed to be warlike, would be in any condition to carry on a war. Obviously, that gesture made on that railroad in Shantung would tend to solidify the Chinese against the Japanese.

I might say, in passing, that so far as the United States is concerned, there are at least six good reasons why we could not intervene in China further than to save the lives and property of our own nationals. First, it is impossible to aggress in the face of our traditional sympathy with China. Secondly, our trade with China wouldn't justify it. Large as that country is—by reason of the inability to buy, and the lack of means of communication, our trade with China is about one-third of what it is with Japan. There is a great market over there. As soon as there is an opportunity to develop their resources and to cultivate their soil, these frugal, industrious, hard-working Chinese coolies, will have one of the most productive countries of the world and it will be one of our greatest markets. Just now they cannot do anything, their activities are paralyzed; their crops destroyed, their animals taken away, and the whole country is overrun by soldiers and bandits. Everything that they have is either outrageously burdened by taxes of every conceivable kind, or is taken outright by the war lords. It was interesting indeed to see the ingenuity by which the dominant Chinese authorities taxed the poor people.

There is another reason. We could not go into China alone, no more than Japan could go in to conquer China, even though we were disposed to do it, which, of course, we are not. In the fourth place, if any or all of the powers were to do that, that act would immediately solidify all Chinese against the foreigners forever, for they are not quitters or cowards. They would fight forever and ever if any foreign power went in there to aggress upon the Chinese. Of course, you can't further the interests of trade in any country under the muzzle of a gun. In the fifth place, the foreigners would have to function the Chinese Government through Chinese officials and employes, which is quite impossible. They don't understand government as we do. They would be continuously irritated by that domination. Beyond all that, all of the officials collaborating or working for a foreign power would be *persona non grata* to all other Chinese.

So when anybody tells you that Japan or any other country is going to aggress on China, do not take it too seriously. There will be skirmishes and bloodshed, but I think we get a great deal of "yellow" news from the Orient. In other words, we hear all the bad things going on over there and not so much of the good. I lived in Peking almost a year, surrounded all the time by 200,000 soldiers; many times I could see the flash of the guns at night; I could hear the roar of the guns at day, trying to dislodge Feng from Nankou pass. But we didn't take that very seriously. Once in a while they had a playful habit of dropping bombs around Peking from aeroplanes. They didn't hit us, and we went along as usual. They don't take their wars over there so seriously as we do. So much for the tariff and the situation generally.

Extraterritorial Jurisdiction

Resolution number five, adopted by the Armament Conference at Washington in 1922, provided that the United States and the other nations which had extraterritorial treaties with China, should constitute a commission to investigate the subject of extraterritorial jurisdiction in China. I dare say you understand, you students of foreign affairs, what extraterritoriality means; but in case some of you ladies don't know exactly what it is, I may say that extraterritoriality, briefly defined, means the exemption of a foreigner from the jurisdiction of a country which he may visit. For example, if you as citizens of the United States went to China, and were arrested by the Chinese for some infraction of their laws, you could invoke the jurisdiction of our consul, or the United States Court at Shanghai. Or if a Chinese were to bring suit against you, you could have recourse to the same jurisdiction.

Extraterritoriality in China had its origin back in 1843. First with the British, then in 1844 with ourselves. The idea was that the Chinese realizing that they didn't know anything about the administration of justice in accordance with western methods, were willing to segregate the foreigners and let them settle their controversies under their own laws. That condition has gone on hitherto. It is not fair to say the Chinese were coerced into the making of those treaties, because the last one was made with Switzerland in 1919. No one can say that the Swiss Navy could coerce anybody into anything. The fact about it was that extraterritoriality was a *modus vivendi*, never intended to be permanent. Obviously it impinges the dignity of a country. It is not right. So long ago as 1903 the United States and Japan, and Great Britain in 1902, made treaties with China in which they evinced a desire to surrender their extraterritorial rights at the earliest possible moment when the state of Chinese laws and the arrangements for their administration justified them in so doing. Immediately after that, although China was still an Empire, the Chinese appointed a very capable commission to work out a system of laws under which the foreigners could work, and which they thought might be applicable to them and serviceable to them. I would not speak disparagingly about our American lawyers, but I don't believe there is any group of American lawyers who could have done better than that group of Chinese lawyers did. They worked out a plan not on the Anglo-Saxon system, but based upon the German and French Codes. They worked under great difficulties, because they had no money. After China became a republic in 1912, they went along and they have evolved a code of laws and, as I say, have succeeded quite admirably. They had their code almost completed, but the difficulty was when they had it completed it was never effectuated.

Laws of China

China, of course, theoretically is a republic. That means that the parliament should make the laws—a chief executive shall promulgate them, and their enforcement is left to the department of justice. Theoretically they have all those departments, but due to the war conditions parliament met very infrequently. So the result was, when the chief executive wanted a law, he would issue a mandate and say: "This is the law," and the war lord, if he didn't like the law, would say: "Pay no attention to it." Thus despite the efforts of this commission, the laws of China depend largely on the gastronomic condition of the chief executive, or the caprice of the war lords. The difficulty is that the provinces pay no attention to the laws unless it pleases them to do so. For more than ten years the Cantonese Government has not recognized the laws of the Peking Government except in one or two respects. The Cantonese have laws of their own. Each province has. The fact is, that the old laws of China were not very numerous. They had no occasion for laws. They were peaceloving people, and by common consent, without any election throughout China, they had a magistrate who administered the laws and settled all differences. Generally the most intelligent man of the town was selected as a magistrate. They had when I lived there, a year ago, but one hundred and thirty-nine modern courts to administer justice to over 400,000,000 of people, or over four million people to every court.

The vices of extraterritorial jurisdiction are several. In the first place, where there are extraterritorial rights, it impinges upon the dignity of a country. As I have said, that is wrong. In the second place, there are as many laws appertaining to foreigners as there are foreign governments having extraterritorial treaties with China. Every foreigner has a right to invoke the laws of his own country. In the third place, it is a great country in area, with consuls far apart, and this amounts in some cases almost to a denial of justice. Then, too, the appeals from the trial courts to the higher courts in the case of the United States have to come through the Shanghai court to the circuit court of appeals in California. That is unfortunate. Some of the consuls of foreign countries have a habit of selling citizenship to the Chinese. In other words, if one Chinese were sued by another and he didn't like it, he would go to the consul of some foreign country who would sell the Chinese a citizenship and thus overnight the Chinese would become a citizen of this foreign country for a consideration. Then, of course, having bought the judge to start with, it would be pretty easy going to the trial of the case before the consul who had sold the citizenship. That is a very vicious custom, to which the Chinese objected, and rightly so.

The Necessity of Extraterritorial Rights

Those are the major objections to the exercise of extraterritorial rights. However, on the other hand, the extraterritorial rights seem to be necessary because there are no courts to take their places. We went over the whole situation. Went around China as much as we could and made a report. This report was a joint one by the representatives of all the nations, including the Chinese.

The report found these different difficulties and criticized

them. It found, generally speaking, that there wasn't a court in China that was not absolutely under the domination of the war lords. The war lords paid no attention to the courts when they wanted to exercise their military will.

I remember at the time the Commission was sitting in Peking, the chief justice of the highest court in Shantung, one of the most important provinces in China, was taken out and shot in the middle of the night, without any pretense of a trial, because he didn's please the war lord. Day after day you could see people taken out to be executed without any trial, except a military order.

I visited many of the courts. When they were not molested by the military, they did their jobs well. Some were educated in American law schools, some in French, some in British, some in German, and some in Japanese schools. Left alone they would have administered justice all right, but there was that continuous domination of the war lords. So the situation was such it would be quite impossible to take away from the foreigners in China the protection of their extraterritorial rights, because there were no courts where their rights could be protected. It was complained by our Chinese friends that the foreign concessions afforded an asylum into which the so-called wicked Chinese could run. I might say, that the United States has no concessions in China and no foreign settlements. In so far as we were concerned, we could not be charged with participating in anything of that sort. But these asylums into which they ran were not objectionable to us. We provided in our report that if any wicked Chinese sought refuge in a foreign concession the Chinese authorities under proper order could go in and take them out.

Personally I was very grateful that there was such an asylum, because a great many of my Chinese friends sought refuge there, and, as I said a while ago, I didn't criticize them, because I dare say I would have beaten them to the concessions if I had been in a similar predicament.

Domination of the War Lords

You cannot condemn the Chinese people who are powerless under the domination of these war lords, soldiers and bandits. The difference between a soldier and a bandit is not very great. Chang Tso-lin, perhaps the most dominant war lord in China to-day, is an ex-bandit. These poor young Chinese boys are drafted into the army and told to march along. They get little or no pay, and have much difficulty in getting anything.

They had a system there of paying the soldiers in paper currency of no value. They would take what they received and buy cigarettes with it. They would demand a package of cigarettes and offer in payment a ten dollar denomination, then demand the change in good currency. If they didn't get the cigarettes and the change in good money it would be melancholy for the cigarette storekeeper. Sometimes they would go into a silk store. I haven't time to elaborate upon the wonderful silks there are in China, but amazing were the beautiful ancient silks. These soldiers would combine and go into the silk stores, take their paper notes, buy some of this wonderful silk, then take it across the street and pawn it, getting real money in exchange, and a little while later go back and redeem the silk with this spurious money. That is a system of high finance that we don't know much about.

Patience and Sympathy Necessary

The problems are difficult to solve. If I were able to prescribe a panacea for China, I would be the greatest pathologist the world has ever seen. My suggestion is that the problems of China must be worked out by the Chinese themselves; they know better than anyone else how to do it. It is a long, hard job, because these young men who come over here and return to China dare not do anything. Their efforts are paralyzed. If they do anything they are subjected to the wrath of the war lords. It is quite impossible for them to accomplish or realize, in the immediate future, their ideals. They are idealists, they have ideals just as any of us. I think they are more idealistic and artistic than our Caucasian people. We must be patient and let them work out their problems their own way. Meanwhile all we can do is to be sympathetic with them, and not to aggress upon them. Nevertheless, they must know, the war lords, as well as the other people of China, that the United States, consistent with its policy toward its own people, cannot permit the lives and property of its own nationals to be destroyed when they are lawfully in China.

Chekiang Industrial Bank Shows Healthy Financial Condition

The financial statement of the Chekiang Industrial Bank, Ltd., as of June 30, 1928, shows a net profit for the half year of $184,662,65, which added to the undivided profit from 1927 of $42,756,96, makes $227,419.81, available for allocation. The bank has a total of cash assets of $7,060,106.61, of which $1,915,559,79 is lodged with bankers abroad.

Chinese Papers as Advertising Mediums

BY KINGLU S. CHEN.

THE *Shun Pao*, oldest existing Chinese newspaper established over half a century ago in 1872, and its rival the *Sin Wan Pao*, Federal Inc., first appeared twenty-six years later, are now the foremost advertising mediums of all Chinese papers. It would be untrue, however, to say that modern Chinese advertising began with the birth of either the *Shun Pao* or the *Sin Wan Pao*. If we make a rapid survey of the earlier issues of these papers, we can see that there had been not much of advertisements. Fifty or twenty-five years ago Chinese businessmen knew little the value of publicity and cared not to invest even a small amount of good money in advertising. The papers consequently could not and did not look to advertising revenue as a source of regular income.

Modern advertising is still in a very early stage in China. The Shanghai *Sin Wan Pao* alone collects yearly over a million dollar's advertising revenue, it is true, but there is not another *Sin Wan Pao* in Shanghai, or in the whole country—the *Shun Pao* only nearly approaching it. Although no statistical proof is available, it may well be said that of the thousands of Chinese papers throughout the country, Shanghai papers collect more advertising revenue than all others published in other localities combined. In other words, with the possible exception of Shanghai, advertising in China has not at all gone far. For this reason I shall in my present article confine my scope of view to Shanghai papers alone.

There are now seven Chinese morning dailies and one evening daily published in Shanghai. The *Sin Wan Pao* has the largest circulation, while the *Shun Pao* comes next with a circulation nearly as large with the *China Times*, the *Eastern Times*, the *Republican Daily News*, the *Central Daily News*, and the *Min Chun, Daily News* following with circulations ranging from 2,000 to 10,000 and more. While the evening paper, the *China Evening News*, is not very prosperous and carries small scale advertisements only, the morning papers are the most powerful advertising mediums for Shanghai businessmen, Chinese and foreigners alike.

I have mentioned the respective circulations of the various papers. A better circulation, however, does not always mean more advertising. The *Eastern Times* has a larger circulation than the *Republican Daily News*, but the former does not have as much advertising as the latter. To be able to sell spaces to advertisers depends, beside a good circulation, greatly upon the ability of the advertising manager and upon the technical position of the paper. For instance, as the *Republican Daily News* is the official organ of the Nationalist Government and the Kuomintang; it enjoys a considerable number of privileges not shared by other papers, and hence it is in a better position to secure support from advertisers. Another instance, formerly the *Eastern Times*, of which Bertrand Russel said was a favorite among educational circles, was much read by school and college teachers and students and other intellectual classes, hence the almost exclusive new book advertisements in said paper. This is now no longer the case, as the interests of the *Eastern Times* changed hands years ago.

Tobacco and Drugs

In Chinese papers, just as in foreign papers, most space is devoted to tobacco and drug advertising. The British American Tobacco Co., and the Nanyang Bros. Tobacco Co., the leading foreign and Chinese tobacco companies in China both advertise extensively. The Nanyang Brothers spend yearly over half a million dollars in advertising, most of which goes to the papers, while the B.A.T., though reliable information is not obtainable, must spend considerably more. The two companies advertise regularly and conservatively, their contracted spaces with the papers being usually the first or second quarter of the second page, or the third quarter of the page devoted to miscellany. Perhaps there is not a single issue of any Chinese paper where there are not advertisements issued by either one of the two companies. (Immediately after the May 30th affair, the Chinese Newspapers Association passed a resolution not to print any British advertisements in their papers. For more than a year B.A.T. advertisements, being British, disappeared from all Chinese papers. Later, however, the decision had been disregarded, and to-day with the exception of the *Republican Daily News* and the *Central Daily News*, official organs of the Nationalist Government, all Chinese dailies print B.A.T. and other British advertisements again.) The advertisements of the two companies usually lack variety, the drawings crude, the characters unattractive, and the size of the ads. nearly always remain a quarter page. Some newly established smaller tobacco companies advertise more cleverly. They often give full page or even double page advertisements

(*Continued on page 18*)

Substantial Price Reducti

Sun Sun Co.

Wing On

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BEGINNING

The Wing On Co., Ltd.

(Incorporated in Hongkong)

*uctions in all Department*s

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Sun Sun

TUMN SALE

DAYS——21

G AUGUST 21

Sun Sun Co.

The Sincere Co., Ltd.
(Incorporated in Hongkong)

(*Continued from page 15*)

in the best spaces which attract better attention. But these companies lack resources and their advertisements appear only in one or two issues in the larger papers.

Besides the British American Tobacco Company and the Nanyang Bros. Tobacco Company, the Ligget & Meyers Tobacco Co., the China Merchants Tobacco, the Wha Cheng Tobacco Co., and the Wha Dah Tobacco Co., are among the biggest tobacco advertisers. The famous slogan "They satisfy" of the Chesterfield of Ligget and Meyers is familiar, the Wha Cheng and Wha Dah are both newly established, and the China Merchants is now perhaps the second largest Chinese cigarette manufacturer in Shanghai.

It is astonishing to see the tens and hundreds of new brand cigarettes turned out daily into the market; all may vanish within a single month after their first appearance. Large advertisements are always issued prior to their coming. The manufacturers use every conceivable means to make public the new brand. Recently a large signboard announcing the Low Kar Cigarette was found hung high up on the beautiful wing of the Lunghua Pagoda—a poor decoration for this famous architectural triumph. The Public Utility Bureau of the District Government later learned this, notified the police authority, and the signboard was eventually removed from its coveted place.

A 'Mysterious" Advertisement

Perhaps not all these costly advertisements bear fruits. Sometime ago the B.A.T.Co., started a vast million dollar campaign to boost its King Fisher Brand Cigarette into the market. The King Fisher tobacco was "toasted". For months there appeared not only in all papers but also in Chinese cigarette shops, general storekeepers, restaurants, theatres, and public amusement grounds large advertisements depicting a ponderous Chinese character (烤), with a circle encircling it. There was no effort to explain that lone character (烤), which stood for "toasted", and led one to wonder whether it was meant for toasted pork or toasted mutton. Little did the millions of bewildered readers imagine that it was a toasted tobacco. This mysterious advertisement must have had its full swing for more than a month before it was substituted by another advertisement in which the Chinese character (烤) still remained but became diminished in size and was coupled by a line of smaller characters in partial explanation, which rendered the whole thing still more puzzling. The exact wording of the line I have forgot, but it must have gone something like "toasted, it tastes good", Yes, how can anything taste better than toasted pork or toasted mutton!

Then another thing happened after another month. The Tan Kwei First Theatre, a then very prosperous Chinese Opera announced in every paper that it would shortly present a new serial play entitled (烤). The curiosity of the readers was further increased when they learned after witnessing the new play that it depicted the story of a secret society, which avenged its enemies by actually toasting them to death! Even the papers which were often silent over such matters, gavs editorial comments confessing bewilderment.

Naturally the clever advertiser of the resourceful B.A.T. Co., meant to keep silent of the secret until the readers were fairly mad, and then tipping off the climax by informing the world that there was a toasted tobacco. Dramatic, no doubt. But the trouble was that the secret had been kept so long that no longer it remained a secret. Somebody who knew had whispered it to all! Further, those who still did not know became bored of it and no longer cared about it. So when the final climax came, when every nook and corner of the earth were told of the coming of the King Fisher, "toasted", no body seemed to take any serious attention. And not long after its debut the King Fisher had altogether vanished from the market.

Every endeavor of a tobacco company to boost its products almost invariably enriched the papers, for advertising in the papers is probably the best means to inform the public of the existence of such products. It is more far-reaching, more convincing and more dignified. When we think of the cignboards, bills, calenders, movies and other devices all devoted to tobacco boosting, we shudder to realize what a firm grip has this plant upon our millions.

Next in extensiveness to tobacco advertising comes drug advertising. Drugs in all variety, and what a variety! There are drugs, drugs and drugs that range from one that will keep women from having babies to another that will drive the most wiry and stubborn hair from any man or woman in three minutes and insures its eternal destruction, or from one that will restore the breath of a dying man to another that immediately cures the most hopeless eye deficiency.

Drugs and Medicines

Among druggists, the Great China Dispensary, the Eng Aun Tong Medical Hall, the International Dispensary, the Kiu Foo Co., Dr. Williams Medicine Co., and Foster Mc Clellan are the biggest advertisers. An advertising agent once told the author that the Dr. William's Medicine Co., spent yearle three hundred thousand dollars in advertising. Indeed, if wy compare the William Co.'s half page and quarter page advertisements in most of the Chinese papers with its small and usually insignificant advertisements in the local foreign papers, we get a glimpse of the extensive business this American firm must be dealing with the Chinese people.

Of the various drugs advertised there are remedies for consumption, for constipation, for throat diseases, headaches, halitosis and every other kind of ailment known to the medical world, but most dominant and most significant of all are innumerable varieties of drugs and medicines for syphilis and other related venereal diseases.

It is quite astonishing, if not at all unbelievable that of all drug advertisements in Chinese papers, "sexual" drugs are overwhelmingly dominant. Perhaps it is an index of the utter ignorance on sexual knowledge, rather than the low morale of the Shanghai Chinese mass.

Some of the most singularly ridiculous advertisments are those issued by the A. C. K. Co., an alleged American firm. The company sells many kinds of drugs which are said to be German manufactured. There is one said to have rejuvenating powers, and there is another said to possess the power to change the sex of either a man or a woman. They publish wonderful stories on the effectiveness of such drugs and reproduce letters of recommendation supposedly written by hundreds of gratified users.

Indeed, nowhere can one find more bunk and rubbish than in drug advertisements. The S.Y. Dispensary advertised a kind of liquid formulated by a certain German Dr. Tonson which will help recover the smoothness of the face of a smallpox inflicted man; the Asia Dispensary advertised a kind of tablet which swallowed will change the black complexion of an African negro overnight to a Parisian beauty; the T. Ya Co., druggists, guarantee the immediate growth of very luxurious hair on any hopelessly bald spot by using a certain kind of hair tonic secretly formulated by them. The Ying Woo Shih Co., offered a rice substitute which is said to be "radium permeated", and sold at two dollars a bottle. It was later found that the ingredients of said substitute were no other than rice itself beaten to powder form with a little meat juice. The radium permeation claim, however, was so attractive that many customers were fooled, and the Co. became so prosperous that another firm grew envious and declared in the papers the "radium permeation process" was invented and patented by them, and warned the public against accepting any imitation. Questioned as to what the "process" was, the firm replied that they would be glad to demonstrate the process to anybody if he would call at their laboratory, where no less than fifteen ounces of the rare metal were consumed daily!

Another kind of advertisement occupying large space are theatre announcements. The names of Mei Lang Fong and Yang Siao Lou and the titles of their new plays always appear in the biggest and blackest characters. If we open up the special page devoted to this pastime, we will see there is little reading matter but many announcements by movies, operas, concerts, dancing cabarets and other amusement grounds or clubs.

Formerly, when cinemas were visited by foreigners only and when dancing was considered a shameless barbarity, Chinese opera advertisements ruled supreme the amuzement page. Now cabaret dancing advertisements and movie announcements are in the upper hand. Some of the better movie and dance announcements appear in large characters on the front page of a paper, which practice has so far been little copied by the more conservative Chinese opera owners or their advertising managers.

The Demand for Literature

A very gratifying thing is to find that new book announcements are daily increasing in the papers. In former years, with the exception of the Commercial Press, the Chung Hua Book Co., and perhaps two or three other larger firms, publishers practically did not advertise, and there were not so many book stores. Since the Nationalist control of Shanghai, new book stores spring up almost daily, and new books have been published by tens and by hundreds. These new firms often do not have ample means. Their premises often small, occupying one or two rooms, where the proprietors acted concurrently as managers, accountants, and sometimes waiting clerks. Advertising costs are the only risk they are engaging. Evidently these advertisements do bear fruit, for lots of these new book stores appear to be prosperous.

The addition of special weekly automobile editions and movie editions in some of the papers are but recent enterprises, they have already attracted a large number of advertisements. There is enough support to render these enterprises profitable. Most of the news articles on these special editions are supplied by the advertisers, and it is a regrettable fact that because such ages can not be independent of the advertisements therein.

Eat Your Way To Health

Scientific tests have proven and the experience of thousands has demonstrated that a daily diet of raisins will conserve and restore your health. They are easily digested and contain all the essential elements of food needed by the human body. **Eat them daily and—demand the Sun-Maid brand.** . . . . . .

Sun-Maid Raisin Growers Association,

3 Canton Road, - - - - Shanghai.

revi ewsvnd criticisms have often been handicapped, as any adisapproal on any thing presented by the advertisers will inevitably result in the withdrawal by them of their advertisements. A movie editor once in his comment made a searching criticism on a photoplay presented by a powerful motion picture company, which angered them and they threatened to withdraw their advertisements. The advertising manager of the paper was worried, and compelled the unwilling editor to retract anything injurious stated his columns.

That foreigners advertise more extensively in Chinese papers than Chinese advertise in foreign papers is significant. It shows that foreign businessmen are more aggressive, so to speak, than the Chinese. Among the biggest foreign advertisers are, besides the B. A. T. Co., Ligget and Meyers, Dr. William's Medicine Co., Foster McClellan, as have already been mentioned, are the Eastman Kodak Co., Andersen Meyer Co., Whiteaway Laidlaw, Melchers, the Embassy and Carlton Theatres. Even the *North China Daily News*, official British organ, advertised in the *Shun Pao* and the *Sin Wan Pao*, which, it seems to me, is too well known for its die-hardism among English speaking Chinese to need further boosting. It may be interesting to note here that Japanese advertisements seldom appear in Chinese papers.

The nominal advertising rates of the different Chinese papers are almost identical, which are $1.40 for one vertical small pica line of 80 characters in front pages, and eighty cents in ordinary spaces. These rates are subject to different discounts, ranging from 5% to 50% or 60%. It goes without saying the better the position of the paper the smaller the discount it allows. The *Sin Wan Pao* and the *Shun Pao* allow small discounts only, while the *Chun Hua Daily News*, with a circulation of perhaps some two or three hundred, often sells to advertisers spaces at 1/10 of the nominal rates.

Honesty in Advertising

Speaking of honesty in advertising! A travel into the advertising spaces of a large advertising medium is interesting but always dangerous. Perhaps this is particularly so with a Chinese newspaper, where there is no advertisement censorship and where the most vile and dishonest advertisements are allowed to appear indiscriminately side by side with the smaller number of honest and good ones.

I have mentioned instances of the ridiculous advertisements by druggists, pharmacists and dispensing chemists, but no less ridiculous are advertisements issued by other traders. Sometime ago the Chinese and Foreign Emporium, which was a one-roomed wooden house in a dirty terrace the in Chapei District, announced to the world that it was sacrificing tens of thousands of dollars by offering to the public real diamonds and rubies and emeralds and pearls and God knows what other precious stones for one dollar a piece, all mounted in platinum. The Ying Nee Typewriting School boasted that it was the largest, the best equipped, and most modern typewriting School in the community. A visit to the school premises convinced me that perhaps the dirty classrooms therein more resemble an old typewriter auction than anything else. The Liang Sin Kee Toothbrush Co. guaranteed that brushes manufactured by them will not loose bristles. I bought one and used it for two weeks, and proved just the opposite. The China Coal Ball Co. claimed that its coal balls are of such high quality that it excells any other kind of fuel priced much higher; an actual test revealed the fact that such balls are no better than the lowest grade of soft coal which costs considerably less. Tens of ten-cent-a-packet cigarettes in the market use the choicest Virginia Tobacco often further blended with best Turkish or Egyptian leaves. Ma Lien Liang, who was hardly known five years ago, is proclaimed the greatest actor and singer in the world. I may cite numerous instances like the above which constitute a striking indictment of business honesty but I will go no further and stop here. Perhaps it is the ignorance of the reading mass who takes all good and bad advertisements without discrimination, or perhaps it is the over-anxiousness of the advertisers to boost their products to obtain an immediate profit, without looking to the future, or perhaps it is the overzealousness of the advertising agents to earn their commission, allowing the public to suffer, but a combination of all these three reasons certainly has made the advertising columns of most of the Chinese papers a complicated labyrinth of boasts, claims, unproved proofs, misrepresentation of facts, bunk and buncombe, which often renders an inexperienced reader helpless.

Shanghai, Aug. 18, 1928.

Railway Development in Manchuria

A recent *Reuter* telegram from Mukden states that the Chinese Eastern railway has at last agreed to the Chinese-built Taonan-Tsitsihar line crossing the former's tracks, and as a result coolies were put on construction work on the latter line, which is expected to be completed end of October. Further railway development in Manchuria includes the building in the near future by the Chinese Eastern railway of the Anta-Paichuan branch, which will open up a new grain-growing district. The Chinese also contemplate the building of a line from Tsitsihar to Kaoshanchen, at a cost of about $6,000,000.

Detailed Nationalist Trade-Mark Regulations

(Order No. 14)

TRANSLATION BY N. F. ALLMAN.

(Continued from last week)

Article 34. The fees prescribed for the registration of trade-marks are as follows:

1. For registration of exclusive right or for the extensino thereof each	$40.00
2. Assignments—two classes	
(a) By legal succession	10.00
(b) Surrender or assignment to others	20.00
3. Alterations or cancellations of registration	2.00

For associated trade-marks, the fee is half the above.

To the foregoing add an educational fee of 30%.

Article 35. Other fees relating to trade-marks prescribed by the trade-mark or by other laws or regulations are as follows:

1. Application for registration	$5.00
2. Application to change name of original applicant	5.00
3. Request for duplicate of certificate	3,00
4. Application for extension of period of exclusive right to use	5.00
5. Application for extension of period of exclusive right of use after prescribed time therefor	$10.00
6. Opposition to the approval of another's trade-mark	15.00
7. Application for hearing or re-hearing	15.00
8. Application for duplicate copy of decision	3.00
9. Application for re-examination	5.00
10. Application for Certified copy of Record	1.00
11. Application for certified copy of design or facsimile	1.00 to 20.00
12. Application for copies of documents 20 cents per 100 characters or fraction thereof	
13. Application for inspection of documents	.20
14. Application to intervene	5.00

In case of associated trademark the fees shall be one half in respect of numbers 1, 2, and 4 above.

Article 36. Applicants for registration of trade-marks should specify the goods to which the trade-mark is appropriated according to the following list. If the applicant cannot determine the classification, the Trade-mark Bureau will make the classification.

Classifications

Class 1. Chemicals, drugs, medicinal preparations, medical supplies, gum, resin, phosphorus, lime, mineral water and salt (including medicines of all kinds in the form of pills, powders and unguents, as well as bandages and sponges).

Class 2. Dye stuffs, paints and varnishes, and other materials used for dyeing and varnishing purposes.

Class 3. Aromatic materials. Perfumery, scents and cosmetics not otherwise classified.

Class 4 Soap.

Class 5. Materials for removing grease, etc., by washing or brushing, not otherwise classified (including washing powder, toothpowder and other kinds of materials and liquids for this purpose).

Class 6. Metals and crude products thereof not otherwise classified (including metallic bars, chains, plates and sheets of silver, quicksilver, mercury and alloys).

Class 7. Metal manufactures not otherwise classified (including things made by smelting, casting, carving, hammering, pressing, plaiting).

Class 8. Steel and sharp tools (including needles, nails and knives).

Class 9. Precious metals or their imitations; lead and nickel, and products thereof or engravings, not otherwise classified (including alloys and gilded articles).

Class 10. Pearl, jade, precious stones or imitations, and products or carvings thereof not otherwise classified.

Class 11. Minerals.

Class 12. Stone or imitation and products thereof, not otherwise classified.

Class 13. Lime, clay, earth, sand or mixtures thereof (including cement, plaster of Paris, asphalt, sand, earth and lava).

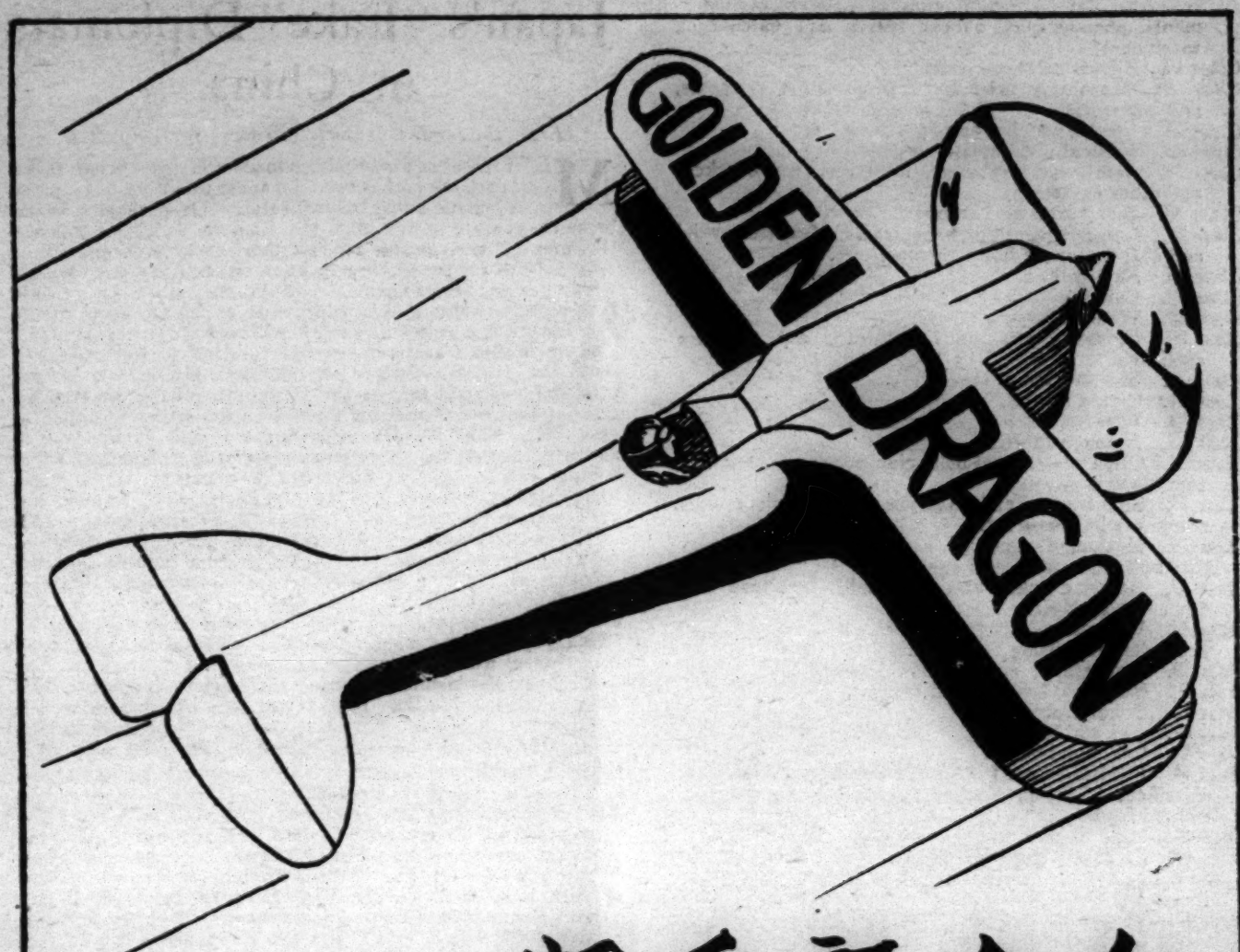
Class 14. Pottery, porcelain, earthenware brick and tile.

Class 15. Glass and manufactures thereof together with enamelled wares not otherwise classified, including enamel and cloisonne.

Class 16. Rubber and manufactures thereof.

Class 17. Machinery and accessories not otherwise classified (including steam engines, dynamos, wind and water mills, sewing machines, printing presses and fire etinguishers).

Class x18. Scientific, medical surveying, photographic educational apparatus, etc. (including telegraph.



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telephone and chemical apparatus, surgical instruments, phonographs, optical lenses and calculating machines).
Class 19. Agricultural implements.
Class 20. Machinery used for transportation purposes, and accessories.
Class 21. Clocks, watches and accessories, etc.
Class 22. Musical instruments.
Class 23. Arms, sporting guns, fireworks, fire crackers and other explosives.
Class 24. Silk worms and cocoons.
Class 25. Cotton, grasscloth, hemp, ramie, feathers, wool and coarse manufactures thereof.
Class 26. Raw Silk.
Class 27. Cotton yarn.
Class 28. Woollen yarn.
Class 29. Hempen yarn and silk threads, not otherwise classified.
Class 30. Silk fabrics.
Class 31. Cotton fabrics.
Class 32. Woollen fabrics.
Class 33. Hempen fabrics.
Class 34. Other textiles not belonging to any of the above four classes.
Class 35. Silk braids, embroideries, fringes and tassels not otherwise classified.
Class 36. Hats, clothes, collars, cuffs, handkerchiefs, buttons and other articles of dress.
Class 37. Beds, couches and household furniture not otherwise classified.
Class 38. Wines of all kinds, and fermented liquors, and products for causing fermentation.
Class 39. Ice, aerated water, fruit juices and cold drinks.
Class 40. Sauce condiments, and vinegar.
Class 41. Sugar and honey.
Class 42. Tea and coffee,
Class 43. Cakes and bread.
Class 44. Foodstuffs and food preparations, not otherwise classified, including smoked, pickled, preserved and canned foods.
Class 45. Milk, its products and imitations thereof.
Class 46. Cereals, vegetables, fruits, seeds, flour, starch and by-products (including arrow-root, yeast and frozen bean curd.)
Class 47. Tobacco.
Class 48. Smoking paraphernalia, including pipes.
Class 49. Paper and manufactures thereof (including envelopes, account books, spills, etc.)
Class 50. Stationery.
Class 51. Skins and hides, and manufactures thereof, not otherwise classified (including worked skins and hides).
Class 52. Fuels.
Class 53. Matches.
Class 54. Oil and wax.
Class 55. Fertilizers.
Class 56. Bamboo, wood and bark thereof.
Class 57. Bamboo, wood rattan, bark and manufactures thereof, not otherwise classified; varnished, painted and variegated.
Class 58. Bone, horn, ivory, shell and manufactures thereof or imitations, not otherwise classified.
Class 59. Straw and manufactures thereof, not otherwise classified (including rope, matting, straw hats and straw braid).
Class 60. Umbrellas, fans, sticks, shoes and accessories.
Class 61. Lamps and accessories.
Class 62. Brushes and wigs.
Class 63. Toys and all articles used for the purpose of amusement or pleasure.
Class 64. Maps, pictures, paintings, photographs, books, newspapers and magazines.
Class 65. Other articles of merchandise not included in the above classifications.
ARTICLE 37. This regulation effective from date of promulgation.

(The foregoing regulations are promulgated and published by the Nationalist Government in Trade Mark Gazette No. 1 issued at Nanking, February 15, 1928, p.p., 17-29.)

National Anti-Opium Association Carries On Vigorous Campaign

The National Anti-Opium Association in China, which was organized in 1924, is vigorously conducting a campaign to rid the countrey of opium and narcotic evils. It has recently issued a statement of fundamental principles, which are based on the idea that the work of opium suppression should be in the hands of the opium suppression committee, which should consist of People's representatives. It also urges that new regulations should be invoked, having total suppression of opium as their aim.

Japan's "Fake" Diplomats in China

(From the Japan Chronicle (British) for August 17)

MENTION has already been made of steps being taken to curb the activities of Japanese in China who make diplomatic offers to local rulers. Or perhaps it would be more accurate to say that the Chinese had been advised that many of these people are unauthorised adventurers. It is very difficult for the Chinese to know when they are dealing with a genuine secret agent and when they are dealing only with one who hopes that if he presents a private coup to the Foreign office, a grateful country will reward his patriotism. The spy is a comparatively straightforward person compared with the unacknowledged diplomatist. He is out to get information, and if he gets himself into trouble his Government lets him be sent to prison or shot without lifting a finger to save him. That is part of the game, and it appeals to adventurous spirits. The unacknowledged diplomatist plays a more crooked game. He operates sometimes without the knowledge of the accredited representative of his country, but not always without the knowledge of the government to which he owes allegiance. China has been particularly plagued with this sort of person. Perhaps the most notable instance was that of the men who waited on Dr. Sun Yat-sen and informed him that if he would make an explicit declaration that Manchuria and Mongolia were not integral parts of China, Japan would support him in his claim that the Canton Government was the only proper Government for China. Dr. Sun's reply was historic; he made the "unholy alliance" with Marshal Chang Tso-lin. In such cases it is impossible to tell whether the emissaries are really acting for their Government, or whether they only hope for the honor due to the successful adventurer.

This uncertainty is increased by the fact that there exist a number of men popularly known as China Ronin. They are often regarded as followers of Mr. Uchida Ryohei, who some years ago inaugurated a society called the Roninkai, consisting of patriotic dare-to-dies. But the Roninkai was never a very definite body and its members have no monopoly in the name. Ronin and China Ronin abound, the China Ronin being patriots who believe in standing no nonsense from China. They vary from those who simply talk big at home, earning the cheapest of all reputations—that for patriotism, which can be gained by talking big—to those who lead bandit troops in China or who approach Chinese leaders with alleged offers from Japan or pretended Japanese threats. It was a man of the bandit variety who murdered the great banker Yasuda, and he received great honor at his funeral.

In an Ambiguous Position

The position of these men has always been very ambiguous and the Chinese have never known exactly how to treat them. According to a statement appearing in the Japanese papers General Baron Tanaka, owing to the embarrassments caused, by the pseudo-diplomatic activities of the China Ronin, has informed General Chang Hsueh-liang that he need not listen at any body professing to speak for Japan except Mr. Hayashi, the Consul-General in Mukden. This would be much more reassuring but for the diplomatic history of the past month. We had the story that General Chang had been warned that he would not be allowed to fly the Nationalist flag, because Japan did not approve of it; and also that he had been forbidden to have any dealings with the Nationalist Government. The flag part of the story was strenuously denied in some quarters, but apparently not officially. That the Young General had been forbidden, or at least advised, to have no relations with the Nationalist Government has not been explicitly contradicted, but General Tanaka has been reported as saying that nothing in the way of an order was given to General Chang Hsueh-liang, and that what passed between Mr. Hayashi and the Young General was only in the way of Mr. Hayashi expressing his private opinion and was not, in the strict sense, diplomatic. One wonders whether Mr. Hayashi made this quite clear, and one wonders still more whether he was commended at Kasumigaseki for the soundness of his private opinion. That private opinion certainly checked a promising movement, for China papers had been for some time quoting General Chang Hsueh-liang as expressing the greatest readiness, and even anxiety, to form relations with the Nationalists, thus effecting a unification which China has lacked for years past and which all the Powers have professed to desire more than anything in the world. It might have been better if General Tanaka had made it clear that General Chang was quite at liberty to ask Mr. Hayashi at any moment whether he was speaking for his Government or only expressing his private opinion. The Young General, in the event of being told that it was merely a private opinion, might, as a test case, try the effect of disregarding it, and seeing what happened. In some

cases a private opinion is stronger than official advice. Every newspaper in Japan knows, when it receives "advice" from the police not to mention any particular thing, that it is then more dangerous to mention it than when an order actually comes from the Home Office about it. Perhaps when a Japanese Consul-General in China expresses a private opinion, this is similarly more dangerous to disregard than formal diplomatic advice.

An Unsatisfactory State of Affairs

General Tanaka's assurance to the Young General incidentally reveals a state of affairs which is very unsatisfactory. Apparently Mr. Hayashi is not the only person who expresses personal opinions to the Young General as to what he had better do. Others have been doing the same thing. It may be hoped that the Young General is now reassured, and that he will feel strong enough to reject the overtures of men who profess to come with authority or to possess influence. It must be embarrassing for the Japanese Government to have men making all sorts of demands in its name, but when these Ronin fail, they are easily disowned. Should they succeed, it is generally not beyond the scope of human ingenuity to turn their success to gain. Unfortunately, diplomacy being what it is, a Government can never be quite certain that an irregular ambassador is not without some countenance from his Government or that his proposals do not in some degree represent its desires. There was the case of Mr. Nishihara, for example, who negotiated many loans with the aid and countenance of his Government, but without any acknowledged diplomatic standing. Indeed, his patron, General Terauchi, was fain to protest in the Diet that Mr. Nishihara was not the altogether disreputable character that some of the critics of his financial deals described. When history is written it is always considered most authoritative when it resists upon documents. "Mr. So-and-so's history is admirably documented" is the highest praise that the reviewer gives, But history might be both easier reading and truer to fact if only the doings of the free-lance diplomatists could be included. Many of the most interesting things are not to be found in writing at all.

Engineers Inspect Yellow River Bridge Damage

A party of engineers proceeded during the week on a journey to North China, on the invitation of the Nationalist government, to inspect the Yellow river bridge, which was seriously damaged during the hostilities just prior to the so-called Tsinanfu incident. Included in the party are C. Gilvray, one Chinese engineer and 20 assistants from the Kiangnan Dock at Shanghai, A. R. J. Hearne, engineer-in-chief of the Tientsin-Pukow railway, and a party of engineers from the Peiping-Hankow railway. Officials of the Ministry of Communications accompanied the engineers.

The Yellow River bridge is situated about half-way between Tsinanfu and Techow. Photographs showing the serious nature of the damage done by the White Russian General Merkouloff, acting under instructions of the former Shantung tupan, General Chang Chung-chang, were printed in *The Review* July 28.

The Yellow River bridge is almost a mile long and cost about Tls. 4,500,000 (Gold $3,000,000) to construct, It was built by German engineers and the construction work took almost four years. The damage is estimated at two million Mexican dollars and it is estimated that eight months will be required to effect the repairs. The full report of the engineers is not expected to be made for several weeks.

The bridge is at present being guarded by Japanese soldiers and before the inspection party could proceed to the scene, the Chinese, to whom the railway belongs, had to apply for permission to do so to the Japanese authorities. The necessary arrangements with the Japanese were made by Yang Cheng-shun managing director of the Tientsin-Pukow railway.

Press Club of Shanghai College Issues Publication

"Beside the Whangpoo" is the name of a handsomely illustrated and well written brochure of more than a hundred pages issued by the Press Club of Shanghai College. The editor-in-chief of the publication is Dai Bao-chuen; managing editor, Liang Teh-so; printing manager, Hsu I-gien; business manager, Li Gih-ren; circulation manager, Miau Dzung-i. The advisors are Dr. Herman C. E. Liu, Prof. Hubert S. Liang and Miss Hu Tsai-yu. The articles in the brochure cover a wide range, some in a serious vein and others of a humorous character. Tariff Autonomy is dealt with by Miau Dzung-i in a scholarly fashion. An article entitled, "Ambitious 'Journalists' Thrilled by the Monstrous Mechanical Slaves of Two Newspaper Plants in Town—Members of Fair Sex Demonstrate Rare Courage," contributed by B. C. Dai, is quite a "skit."

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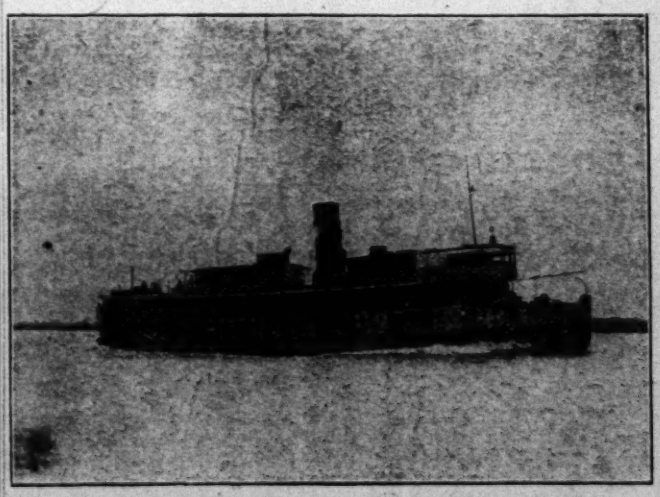
No. 2 Dock.....	502- „	70- „	60- „	23- „

Sheerlegs to lift 75 tons.



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The Situation Following The Fifth Plenary

BY J. B. P.

The last session of the Fifth Plenary Conference of the Central Executive Committee of the Kuomintang was a most important one and as everyone now realizes it was not an altogether harmonious conference. There was the always-present controversy between the radicals and conservatives and the inevitable clash between the "ins" and the "outs." The conference was important because it was the first to be held following the completion of the so-called military phase of the revolution: it was also important because it was necessary to consider and approve plans for internal reconstruction. Some of the problems which were considered are fundamental: disbandment of troops and reorganization of the army, reorganization and centralization of finance and the adoption of a budget, abolition of the branch political councils as a means of strengthening the central government, adoption of an educational program and decision as to the future political activities of the students. The radicals and conservatives had diametrically opposed views on many of these questions and both the radicals and conservatives were dissatisfied with the final compromises arrived at. The radicals refused to attend the opening session and when they were finally induced to attend in order to provide a quorum, the ultra-conservatives withdrew. Radicals and conservatives were both absent from the final session, but despite this the Government, which is composed of middle-ground men, was able to get through the major part of its program, especially the matters of military and financial reform.

The Present Situation

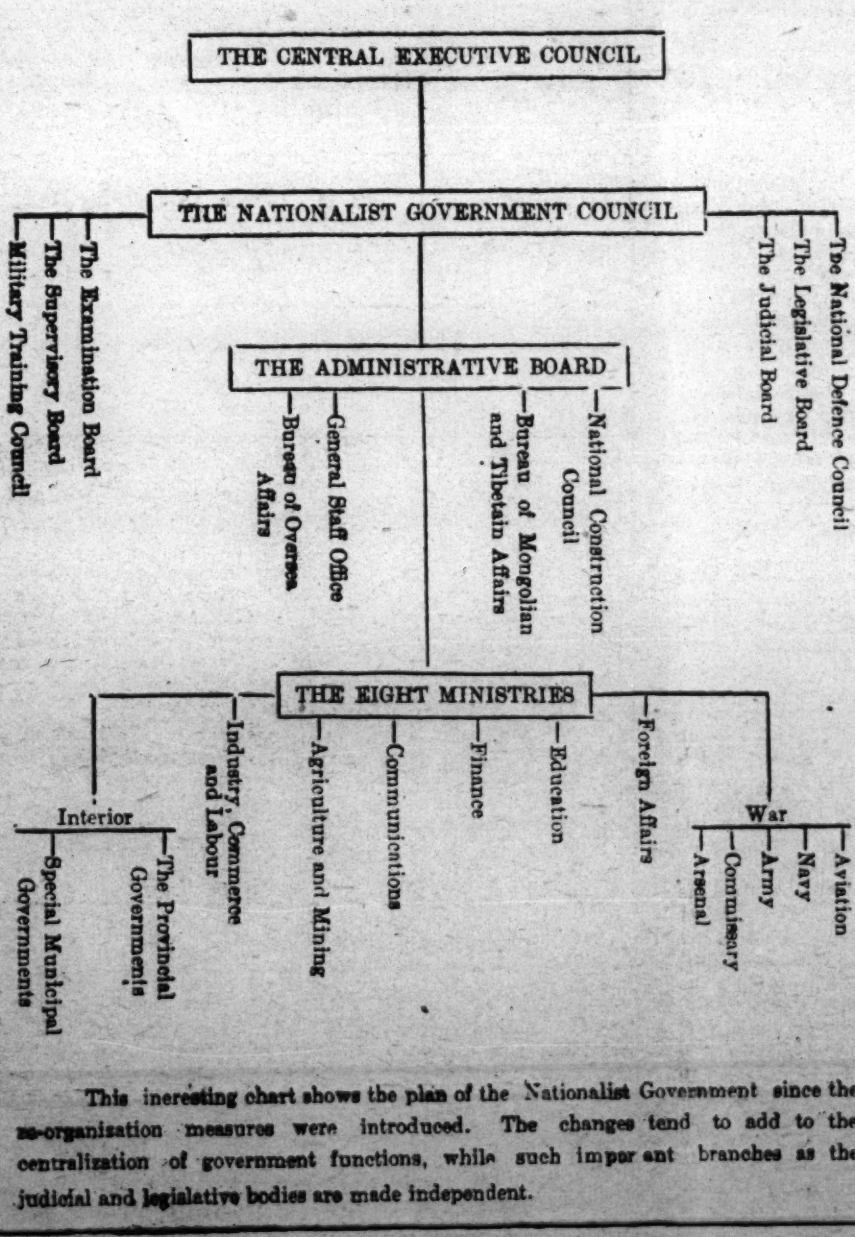
The present somewhat unsettled political situation is a natural aftermath of the Fifth Plenary Conference and has given rise to innumerable rumors, most of which have found their way into the local foreign press, to the effect that serious trouble is likely to develop in the domestic political situation. The local official British organ, the *North-China Daily News*, has been responsible for much of the uneasiness in Shanghai owing to its publication of reports alleging the liklihood of a resumption of fighting in the Yangtsze Valley between factions affiliated with the Nanking Government and the Kwangsi faction of the Kuomintang which controls Hankow and Canton. Then in addition to this the *North-China* printed on Monday, August 27 an obviously biased report apparently gleaned from Japanese sources forecasting serious trouble which was likely to develop from the sudden return of Marshal Feng Yu-hsiang to Honan Province. Marshal Feng had been in Nanking conferring with officials of the Government during the Fifth Plenary Session of the Kuomintang. He had planned to remain in Nanking until the first of September while Gen. Chiang Kai-shek was in a Shanghai hospital having his teeth treated by a Shanghai dentist. Gen. Chiang was delayed in the completion of his dental repairs and Feng was forced to return to Honan owing to bandit complications which had developed in Shensi and Kansu Provinces. In addition to this Feng Yu-hsiang is probably preparing to advance an army into northern Shantung in order to prevent the ex-bandit tupan Chang Chung-chang from re-establishing himself in that area under the protection of the Japanese military forces. As a result of these moves the political rumors have circulated fast and furiously in Shanghai.

The Alleged Japanese-Anfu-Yen Alliance

One of the rumors which has caused most uneasiness has alleged that the old Anfu Clique of Northern militarists and politicians which was in power in Peiping in 1918-1919 when the Japanese Nishihara loans amounting to $350,000,000 were negotiated, has recently made a deal with Gen. Yen Hsi-shan at Peiping for the purpose of launching an attack on Feng Yu-hsiang. Then according to the rumor, after Feng is eliminated the Capital will be restored to Peiping and the Yangtsze Valley and South China brought into camp in due course. This rumor, in all probability has had its origin in the present situation existing in the Shanhaikwan area where the Nationalists in cooperation with Gen. Chang Hsueh-liang at Mukden are trying to eliminate the remnants of the Chihli-Shantung troops which have been stationed in that area since their expulsion from Shantung and Chihli Provinces by the Nationalists sometime ago. According to a *Reuter* report from

THE NATIONALIST GOVERNMENT

System Of Chinese Government As Decided At The 5th Plenary Session Of The Central Executive Council Of The Kuomintang In Nanking, August 14, 1928



This interesting chart shows the plan of the Nationalist Government since the re-organization measures were introduced. The changes tend to add to the centralization of government functions, while such important branches as the judicial and legislative bodies are made independent.

—Reprinted from the *Noon Express*.

Peiping on Tuesday, August 28, the Chinese newspapers in North China have printed allegations that the Japanese recently have financed Gen. Chang Chung-chang to the extent of $10,000,000 which has enabled him to pay his troops and also purchase large stocks of ammunition which are being concentrated at Chefoo on the northern coast of the Shantung Peninsula. Since his eviction from the Peiping-Tientsin area, Gen. Chang Chung-chang has been established in the area about Tangshan and Shanhaikwan where the Japanese also have a considerable army stationed. That there is some sort of an understanding between the Japanese and Gen. Chang Chung-chang is known for Gen. Chang has recently made several trips between Dairen, the Japanese port in Manchuria and Chefoo, traveling on a Japanese steamer. Then in addition to this Gen. Chang's emissaries have been traveling freely back and forth between Dairen and Chefoo, Tsinan, and Tsingtao, supposedly for the purpose of arranging for Gen. Chang's come-back to Shantung.

Internal Clash Unlikely

It is obviously foolish for any foreigner to attempt to forecast political happenings in China, largely because the political leaders themselves do not know with much certainty what the future holds in store. But on the face of things, it is highly improbable that there is to be a resumption of internal fighting, the chief reason being that it would completely upset and neutralize the efforts which are now being successfully made to revise the treaty situation. Dr. C. T. Wang, Foreign Minister is now negotiating with some nine different foreign Powers for a revision of treaties pertaining to the Tariff and should another internal clash occur it would play directly into the hands of the Japanese who are opposing treaty revision. The fact that a renewal of internal fighting would benefit Japan, lends credence to the reports that Japan is secretly behind Gen. Chang Chung-chang's attempt to re-enter Shantung and also the rumors of the alliance between the Anfu Clique and Gen. Yan Hsi-shan. It probably is true that Generals Yen and Feng are none too friendly, but it is unlikely that Gen. Yen would go to the extent of accepting Japanese support to defeat Feng.

As to the situation in the Yangtsze Valley, there can be be no question regarding the rivalry of the Kwangsi and Nanking-Cantonese factions. Certain Kwangsi generals are jealous of Gen. Chiang Kai-shek and would like to displace him for one of their own, but for reasons noted in the foregoing, it is unlikely that they would resort to force of arms at this time. While Gen. Chiang is in none too secure a position, it is also true that the Kwangsi faction is also none too secure for in both Kwangtung and Hunan Provinces there is strong dissatisfaction which the Chinese newspapers have given the general term of communism. Any military moves at this time might very easily bring the so-called Communists again into power. Then in addition to everything else there is Marshal Feng Yu-hsiang sitting tight in Honan Province. Feng is supposed to be friendly with Gen. Chiang Kai-shek, hence he would not view in kindly manner any move on the part of Hankow to attack Nanking and he is in a good position to make his influence felt at Hankow for the distance down the Peiping-Hankow Railway to Hankow from Honan is not very great.

Right-Wingers Arrive at Hongkong

Hu Han-ming, Chow Lu and Hsu Chung-chih, three Kuomintang members of the so-called Right Wing, who have been abroad for several months have arrived at Hongkong on their return to China and according to report will proceed immediately to Shanghai and Nanking for a conference with Gen. Chiang Kai-shek. As for Gen. Chiang, who has been confined to the Country Hospital at Shanghai, he is reported to be planning to return to Nanking early next week in company with Chang Ching-kiang. Li Chi-tseng, two other extreme "rightists" who withdrew from the recent Fifth Plenary Conference.

According to reports now current in political circles, there is to be a general conference in Nanking shortly which will be participated in by all political leaders for the purpose of putting into effect the plans for reorganizing the Government. What is likely to happen is still uncertain but it is reported that Gen. Chiang Kai-shek may become chairman of the Central Executive Committee of the Government; Hu Han-ming, chairman of the Legislative Committee; Wang Chung-wei head of the Judicial Committee; and Feng Yu-hsiang head of the Military Affairs Committee. Hu Han-ming, in an interview at Hongkong which was circulated by the semi-official Japanese *Toho* news agency, refused to comment on the reports regarding his active participation in the Government, but was quite emphatic in his views regarding the policy which the Government should adopt regarding the Japanese situation. He declared that the Nationalist Government should acknowledge Japan's purely economic rights in the Three Eastern Provinces, but should absolutely repudiate any claims which the Japanese may have to rights of a political or military nature.

German Opinion Friendly to China

The Berlin correspondent of the *Chun Hwa News Agency* writes that the German newspapers take a considerable interest in the issue of the Chinese revolution. The victory of the Nationalist Army is unanimously acclaimed, even by those groups who are in their own country absolutely opposed to any revolutionary tendency. However, the German press, dominated by reactionary force, is stated not to be a true and reliable mirror of the public opinion of Germany. Great capitalists, such as the late Mr. Stinnes or the still living and very active Mr. Hugenberg succeeded during the period of the German money depreciation in purchasing a large number of formerly independent papers, to such an extent that the masses have no sufficient possibilities to give printed expression to their views.

Beginning with the extremists of the right wing of the parliamentary grouping, the queer fact has to be stated that even the so-called "Volkischen" who adhere to the principle of race-struggle do welcome the new situation in China, pretending to have nearly the same aims as the Kuomintang has.

A noteworthy symptom is the surprising event that also the "*Deutschnationale Volkspartei*" (German Nationalist Party) actually manifests something like sympathy towards new China. This party, members of which formed the last cabinet, embodies the conservative and monarchist principles. If one knows that it was the ex-Kaiser Wilhelm II who firstly spoke of the "yellow danger" and whose name is for ever connected with the era of the strongest German imperialism, one will become a bit suspicious of this new friendship.

The *Deutsche Volkspartei*, to which Mr. Stresemann the Minister of Foreign Affairs adheres, represents other capitalist groups such as manufacturers, export merchants, etc.

A party whose influence has penetrated every German government after the revolution up to now is the *Centrum*, the German section of the Catholic International.

Originally the *Centrum* was not favorably inclined towards the Chinese revolution, because it was rumored that the Kuomintang considered the foreign missionaries to be the ideological path-makers of imperialism. But the leaders of the Catholic Church are quite realistic politicians who understand the language of accomplished facts. In the meantime the Vatican congratulated the Chinese people on the end of the civil war and consequently the German *Centrum* also adandoned their former attitude.

Shortly after the German revolution the *Demokrates* formed an imposing party, including among their members such prominent men as the Minister Rathenau, who later on was killed by anti-Semitics. The liberal merchants and financiers who were the adherents, always showed a friendly attitude towards a liberal development of China. It must be said that open sympathy with the Chinese revolution in Germany has been manifested only since the Kuomintang separated from the Communists. Unfortunately this big, important party shows no great activity in foreign politics, putting all their hopes in the League of Nations.

Finally, this Berlin correspondent concludes, it can be stated that the majority of the German working classes, the sympathy of whom is more valuable for the Chinese people than that of the imperialists, are really friendly towards their comrades on the other side of the world. Every Chinese who was in Germany in recent years will admit that the German workers and farmers are really anti-imperialist.

At the next session of the Reichstag the Socialists will probably put forward a motion regarding the formal recognition of the new Chinese government."

Silk Merchants Oppose Discarding of Long Gowns

The *Hankow Herald* states that the Chambers of Commerce of Hankow, Shanghai, Nanking and Hangchow have wired to General Yen Hsi-shan, garrison commissioner of Peiping and Tientsin, urging the necessity to maintain the use of the Chinese traditional long gowns and black jackets in northern provinces. Reports from Tientsin and Peiping state that the authorities in these cities are prohibiting the wearing of this traditional attire in favor of the Chungshan dress. The merchants fear that unless the use of the long gown and black jackets be maintained thousands of manufacturers in the provinces of lower Yangtze who practically depend upon the export business of their goods to North China will lose their jobs and then there will be serious disturbance in the Chinese money markets, not to mention the loss of revenues to the Nationalist government.

The Nationalist Reply to Japan

The Kuo Min News Agency August 28 circulated the following summary of the Nationalist Government's reply to Japan's Note of July 31, 1928:—

The Nationalist Government welcome the statement that Japan is willing and prepared to negotiate with China a new Sino-Japanese commercial treaty, for the negotiation of new treaties on the basis of equality and reciprocity has been the fundamental policy of the Nationalist Government for the improvement of China's friendly relations with the other nations.

The old Sino-Japanese commercial treaty was negotiated more than thirty years ago. During these thirty years conditions in this country have so radically changed that the terms of the treaty are no longer suitable. Japan's contention based on Article 26 that the treaty is automatically extended for another ten years if no revision be effected within six months following the date of its expiration cannot be accepted by the Nationalist Government. The interpretation of Article 26 by the Nationalist Government is that should a demand for revision be submitted by either of the contracting parties within the six-month period, and the negotiations be started regarding its revision, the treaty can no longer be enforced. In the absence of such a demand for revision as that presented by China on October 20, 1926, the treaty had been extended. On October 26, 1926, however, the Chinese Government made it known to the Japanese Government that the former desired to extend the old treaty no more. On July 20th of this year, the Nationalist Government, resting on the well recognised principle of *rebus sio stantibus*, proposed the conclusion of a new treaty on the basis of equality and reciprocity within the shortest period to take the place of the old one and requested the Japanese Government to appoint a delegate with full powers for the purpose.

In view of the progress in international relations of the world and of the aspirations of the Chinese people and the economic and commercial conditions in China, the Nationalist Government feel that the enforcement of unequal treaties will impair the friendly relations between China and other countries.

The action of the Nationalist Government in declaring all treaties that have expired terminated and to be substituted by new treaties, and in proposing to terminate according to proper procedure those treaties that have not yet expired is well founded on principles recognized in international law as well as supported by precedents. It is unjustifiable that the Japanese Government should falsely accuse China of bad faith.

The Provisional Regulations of July 7th are not measures discriminatory against the Japanese; they are promulgated for the maintenance of political and commercial relations between China and all countries whose treaties with China have expired.

Since the Japanese Government have already expressed their readiness to negotiate with China a new treaty, the Nationalist Government are most anxious and sincere in expecting that the Japanese Government will immediately appoint their delegate so that negotiations can begin for a new equal and reciprocal treaty to take the place of the obsolete one, thus enhancing the friendly relations that have been happily subsisting between the two countries.

Shanghai "Times" Translates Its Own Chinese News

The *Review* is in receipt of a letter from G. Burton Sayer, editor of the *Shanghai Times*, objecting to the statement made in last week's issue regarding the source of news in Shanghai daily newspapers. It was stated that the Shanghai newspapers rely on the police translations from the Chinese press. The *Shanghai Times* is not among those newspapers, as it has its own translator. As regards the statement made in the daily press at the time of Sun Chuan-fang's regime in Shanghai, the editor of the *Times* states that the prediction of his impregnability was made as the result of information supplied officially by Marshal Sun's publicity agent.

In the editorial reference on this subject in last week's issue of the *Review* it was stated that the reports regarding the meeting at the Provisional Court had originated in the Intelligence Department of the Shanghai Municipal Council. It has since been learned that the reports did not originate in the Intelligence Department, but with another department of the Shanghai Municipal Council.

Fried Grasshoppers Being Eaten by Shantung Famine Victims

John Earl Baker, secretary of the China Famine Relief Commission, at a tiffin to foreign and Chinese correspondents, in Shanghai during the week, gave details of the sufferings of the famine victims in Shantung, reference to which has been made frequently previously in the columns of *the Review*. Mr. Baker stated that he tried some of the food, but he refrained from sampling the fried grasshoppers, which were a common article of diet among the famine sufferers. He stated that the pigweed soup was fairly palatable, but he could not swallow the chaff biscuits.

None who listened to Mr. Baker's report could help but feel impressed with the seriousness of the situation. Mr. Baker stated that a large area along the Chihli-Shantung border, with a population of 1,500,000 people, is at present affected. At least one-tenth of the people are in a terrible state of mal-nutrition and stare death in the face. Others are suffering from the famine which will reach its worst stage this winter. What is likely to happen then, Mr. Baker declined to prophesy.

A certain amount of emergency relief work has been done, but Mr. Baker declares that large scale relief work should start as soon after October 1 as possible. Mr. Baker is forwarding his report to New York at the end of this week, and action will be taken on it when it is received. The American Red Cross has declined to participate in the $10,000,0000 relief drive owing to insecurity of conditions in Shantung, but other action may be decided on receipt of Mr. Baker's report.

Principal among the evils devastating the countryside, he stated, is the plague of grasshoppers who have appeared in number hitherto unseen. All over the countryside the Chinese are fighting them, big armies being organized to kill the pests. On one occasion, Mr. Baker saw an army of 2,000 men and boys in the field, killing grasshoppers, while the Kuomintang flag flew at the head of the slayers to give them encouragement

Mr. Baker said that the wheat crop this spring, which generally was good over north China, did not fail entirely in the region visited, but it was not enough to reduce the price, which now is 60 per cent. above normal. Kaoliang is selling for eleven and twelve cents a catty, or nearly three times the normal price. Some relief was in sight, however, for kaoliang from Manchuria was coming down the Grand Canal. The failure of the fall crop is due to two causes, principally, drought and grasshoppers. The grasshoppers have riddled the millet; drought ruined the kaoliang. At a little distance, the effects of neither of these causes are apparent. Both millet and kaoliang generally appear to be of normal height and thickness, but on inspection the millet heads prove to have the seed eaten off the stem in the middle of the head while the sap has been so extracted from the stalk that the seed which remains in the head is shrivelled. In the case of kaoliang, fine tall stalks bear a head which is nothing but chaff.

In the course of his report Mr. Baker says: "There are reports from northern Shansi, from Honan, from other parts of Shantung, which indicate that severe privations are even now being felt. I am quite sure that the drought famine of 1920-21 was of far wider extent than the areas affected this year. But the intensity of the famine in the regions affected this year make the situation perhaps more desperate. I was in charge of the relief work in western Shantung in 1920-21. My payroll from beginning to end in that region included only some 60,000 names. Computing six dependents to a workman, this indicates an aggregate of 420,000 who received aid in this region in 1920-21. If opportunity be given this autumn along the Chihli-Shantung border to work for five catties of beans and kaoliang a day, I feel sure that the representatives of fully 1,000,000 people will ask for work."

Extensive Aerial Service Planned for South China

Plans are on foot to organize an aerial service in Kwangtung province with the object of linking up Canton and Hankow. Aerodromes are to be erected in Changchow, Fanchow and Shiachow, with Wuchang and Canton as the terminals. The distance between Wuchang (which is across the Yangtsze) from Hankow, is 560 miles and it will take seven hours flying, including the stops. Each plane is to be capable of taking two passengers, the trip to be charged at the rate of $200. There are to be sixteen flights a month each way. According to the Canton correspondent of the *Chung Hwa* news agency, the Headquarters of the Eighth Route Army in Canton have bought several planes recently and on test they were found to be satisfactory.

Dr. David Z. T. Yui Addresses Lion's Club at Tsingtao

Speaking before the Lions Club at Tsingtao recently David Z. T. Yui chose the subject of "Nationalism" and "Internationalism." In the course of his address he stated that he was not a politician and not a member of any political party in China. He was not one of those that stood up for his country, "right or wrong." No nation could always be right, or always be wrong. But he wished to explain what it seemed to him was to be found in the meaning of Chinese nationalism.

Taking things as a whole he said it might truly be said that things were making much greater progress in China to-day than at any former period. The people had long been taught to leave political affairs severely alone, and many men in China considered themselves exceedingly fortunate if they were able to say that they had never even seen the face of an official. There had been good Emperors and worthy officials, of course, but the people usually considered that a good Emperor meant a period of prosperity, and the opposite case meant the reverse. People nowadays were beginning to feel that they are really concerned with China's future progress. They feel that they have a vital part in it, and this feeling was beginning to find expression, though it was not always heeded.

Nationalism to-day, said Dr. Yui, was a movement of the people, though it was not active in Peiping or even in Tsingtao. Many people consider that it would be best for China to find some Dictator to rule the country. If somebody managed to find one he would not rule very long. There could be no Dictator in China to-day.

British Missionary Societies not to Make Claims for Losses in China

In the minutes of the Standing Committee of the Conference of Missionary Societies in Great Britain and Ireland, dated June 15, 1928, the following action is recorded:—

"*Compensation for losses incurred in China*!—The following statement prepared by a small group appointed at last meeting of the Standing Committee, was passed for circulation to the Press: It was reported at the meeting of the Standing Committee of the Conference of Missionary Societies in Great Britain and Ireland, held at Swanwick, that no British Missionary Society had made any claim on the Chinese authorities for compensation either for personal losses or for damages to mission property, arising out of the disturbed conditions in China.

"It was suggested that in forwarding the above statement to the *National Christian Council of China Bulletin*, a paragraph might be added regarding the desire of the Societies for the return of property which was at present in the hands of the Chinese authorities."

Yellow River Rising—Tsinan is Flooded

As a result of incessant downpour during the early days of this week water in the Commercial Area of Tsinan has risen to several feet in height inundating the entire area. The *Tah Chung* news agency states that hundreds of buildings in the Commercial Area have collapsed, killing a number of persons and wounding hundreds. Water in the Yellow River is rising to an unprecedented height and the dykes at Litsin, the most dangerous point along the Yellow River, have been washed away by rapid currents.

New Chinese Bank Receives Support of Chambers of Commerce

The three Chinese Chambers of Commerce in Shanghai, namely, the General Chamber of Commerce, the Shanghai District Chamber of Commerce and the Chapei Chamber of Commerce, are announced to be jointly contributing $3,000,000 towards the capital of a new bank to be known as the Domestic Industrial Bank. Mayor Chang Ting-fan, has announced that the special municipality of Shanghai would subscribe $50,000.

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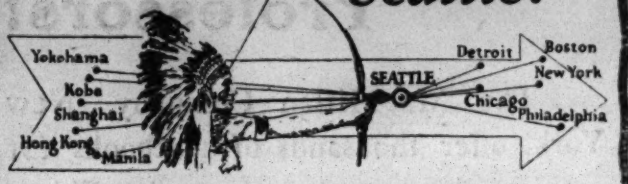

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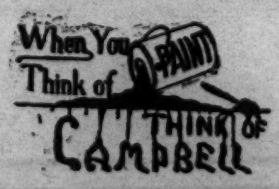
Who's Who in China

Mr. Yen Chih-lu
(呂彥直字古愚)

Mr. Yen Chih-lu architect, was born in 1894 in Tientsin, his ancestral home is Nanking. He was graduated from Tsing Hua College in 1913 and went to America on a government scholarship. In 1918 he received the degree of Bachelor of Architecture from Cornell University. From 1918 to 1921 he was employed in the office of Murphy and Dana, Architects, of New York, during which time he was responsible for the designing of the Ginling College Group at Nanking, which is one of the first few successful adaptations of Chinese architecture to modern purposes. In 1921 he returned to Shanghai and started an office with some friends in practicing his profession and won a competition for the design of the Shanghai Bankers' Association Building. In 1925 he started his own office and won the competition for the design of the Memorial Hall and Tomb for Dr. Sun Yat-sen to be erected on Purple Hill in Nanking, and was subsequently appointed architect of the work which was started on January 1926 and the whole work will cost about one million and a half taels when completed. In 1926, he won another competition for a Memorial Auditorium and a Monument to Dr. Sun Yat-sen, both to be erected in Canton, which together will cost one million and a half taels. All of these designs are conceived in Chinese style and worked out in modern methods. Mr. Lu has been making a special study of Chinese architecture and is striving for its development into a living style. His office in Shanghai is at 29 Szechuen Road.



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Men and Events

Clarence J. Spiker, of the American Consular staff in Shanghai, has returned from Japan where he had been on holiday.

New regulations governing the attendance of Senior Consul's deputies come into force at the Provisional Court September 1.

Fisher Yu, manager of the South and North Trading Co., and Miss Dorothy Wong, both of Shanghai, were married recently in Tsingtao.

C. Roesholm, the general manager of the Shanghai office of the Texas Company, and N. F. Xavier of the same company, have returned from a holiday spent in Tsingtao.

Dr. C. C. Wu, former Nationalist Minister of Foreign Affairs, interviewed in Washington D. C., May 24, said, "China will fight to the last man to prevent a Japanese protectorate in Manchuria.,,

Chiang Tso-ping, former chairman of the political committee in the war zone, will shortly be appointed Minister to Sweden, according to a report appearing in the Chinese newspapers this week.

The Mayor of Nanking has issued an order to close all sing-song houses, and the stopping of all gambling and fortune-telling. He has also ordered the deportation of all prostitutes after September 1.

Gregory L. Gutbezahl, prominent Tientsin fur and skin exporter, is *enroute* to the United States with his family on the s. s. *President Pearce*, his first visit to America since his arrival in China six years ago.

The Y's Spokesman is the title of a sprightly publication issued as the official organ of the Foreign Y. M. C. A. of Shanghai. The principal article in the issue of August 25 was entitled, "Naming the Baby."

Beginning with Sunday morning, September 2, weekly services will be conducted by the Rev. W. R. Hall, chaplain of the Fourth Regiment, U. S. Marines, in the Embassy Theater, 126 Bubbling Well road, Shanghai.

According to a report circulated by the *Chun Hwa* news agency, Sun Fo, son of the late Dr. Sun Yat-sen, will return to Shanghai on September 20. Mr. Sun has been abroad for several months and is now in the United States.

Elsie McCormick (Mrs. Marshall Dunn) who will be remembered as the author of "The Diary of a Shanghai Baby" is at present filling the column in the *New York World* previously headed "It Seems to Heywood Brown."

Stuart J. Fuller, who was formerly American Consul-General at Tientsin, and who is at present the Far Eastern representative of the Columbia Gramophone Company, returned to Shanghai last week from Hongkong, where he had been on business.

Gen. Chiang Kai-shek, who had been confined to the Country Hospital in Shanghai for some time, receiving treatment for dental trouble, was scheduled to return to Nanking on August 30, in company with Chang Chin-kiang, Li Shih-sen and Chen Kuo-fo.

Hu Han-ming, Chow Lu and Gen. Shu Tchuntze, members of the Kuomintang who have been traveling abroad, arrived in Hongkong on August 28 and after a brief visit there and in Canton will proceed to Nanking for a conference with officials of the Government.

The editor of *Community Service*, published in the interests of Community Church, Shanghai, is in receipt of a letter from the former pastor, Clifford M. Drury, that he has accepted a call to be the pastor of the First Presbyterian church in the city of Moscow, state of Idaho.

An appeal for funds for the Korean school in Shanghai is being made by Dr. C. S. Kim, acting treasurer who is also field director for the Council on Health Education, whose offices are at 23 Yuen Ming Yuen road, Shanghai. The majoritiy of the Koreans in Shanghai are Christians.

Wang Wen-den, former president of the Combined Chambers of Commerce of the whole of China at Peiping, and at present general manager of Nanyang Bros. Tobacco Co., in North China, was recently appointed manager of the Tientsin branch of the Chinese-American Bank of Commerce.

The U. S. army transport *Henderson* stopped over for several days in Shanghai during the week carrying about 1,200 marines who are being returned to the United States, the journey being made *via* Manila. The withdrawal of these Marines marks the first big reduction of the American armed forces in China.

Japanese News Reports on Chinese Situation

The following news reports are summaries of new messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Tientsin, August 21.—Coal shortage exists due to complete selling out of stocks at the Hotung Kailan Mining Administration's yards.

Mukden, August 21.—Resolution passed at second session of conference of Japanese Consuls detailing measures for control of Communists and for protection and control of Koreans living in Manchuria.

Tokyo, August 22.—Yusuke Tsurumi, M. P. of the Meiseikai, announced to leave for United States, September 20, where he will give lectures on oriental subjects.

Mukden, August 21.—At second meeting of Japanese consuls measures are passed concerning protection and control of Koreans in Manchuria.

Peiping, August 23.—General Chang Yin-wu, garrison commander, in interview on dissolution of labor unions, states that he has asked instructions from the Government regarding relief measures. He states General Yen Hsi-shan's order to close the union was based on reports that Communists were active in the labor unions, but there was no proof of this.

Peiping, August 23.—General Pei Chung-hsi gives orders for an offensive against Chihli-Shantung troops.

Peiping, August 23.—Ministers of Foreign Powers concerned file protest with T. V. Soong, Minister of Finance, regarding recent cases where Nationalist officials have infringed security rights of the salt gabelle.

Harbin, August 22.—Zone along railway between Manchuli and Hailar reported quite safe, being well guarded by several armed trains.

Peiping, August 22.—Hostilities reported to have opened between mutinied Shensi forces and General Feng Yu-hsiang troops.

Tsingtao, August 23.—Third division of Japanese army, replacing the 6th division, decides to undertake guarding of Shantung railway.

Tsingtao, August 23.—Chefoo and Lungkow authorities issue proclamation that duties levied under Chang Chung-chang's regime are to be abolished, and 2½ per cent surtax to be revived henceforth.

Tokyo, August 24.—New York correspondent of *Nichi* states that opinion in the United States is against making any definite comment on the Manchurian question, as Americans do not wish to involve themselves in this issue.

Tokyo, August 24.—Wang Ta-tseng, Chinese envoy, leaves for Osaka to confer with prominent Japanese business men interested in Sino-Japanese trade.

Tokyo, August 22.—Foreign office spokesman states that the Chinese Minister had verbally notified the cancellation of the proposed application of the provisional measures as regards Japanese, as announced by the Nationalist government but the spokesman stated that it would be advisable for the Chinese to express their intention irrevocably.

August 22.—Chang Chung-chang transports troops from Chingwangtao to Tengchow, near Chefoo.

Tokyo, August 25.—Councillor Hori of the Japanese legation at Peiping, interviewed here states that negotiations for treaty revision with Nationalist government depends on their rescinding provisional interim regulations.

Tsingtao, August 24.—Lieut. Gen. Yasumitsu announces that the former order that neither northern nor southern soldiers will be allowed within twenty li of the Shantung railway remains in effect.

Peiping, August 25.—General Feng Yu-hsiang's sudden departure from Nanking for Honan is due to a mutiny of troops under General Wu in Shensi and Generals Fan and Yo in Honan.

Tokyo, August 25.—Baron Tanaka in interview regarding the Mongolian border trouble states that it is not yet clear whether Soviet Russia is secretly helping the Young Mongolians.

Mukden, August 25.—General Chang Hsueh-liang promulgates an extensive administrative policy, which includes the disbandment of 100,000 soldiers.

Mukden, August 25.—General Chang Chung-chang, strongly opposing both the efforts of the Manchurian party and the Nationalists to coerce him, makes preparations to collect all his forces within the Great Wall with the object of removing them to Shantung.

Tsingtao, August 25.—Third division announces that its headquarters are being removed to Tsinan, August 28.

Tokyo, August 26.—Nationalist Envoy Wong states that it is a great concession on the part of China that the Nationalist government has refrained from enforcing the interim regulations and is applying the old treaty pending the conclusion of a revised treaty.

Tokyo, August 26.—Shanghai Consul-General Yada and Councillor Hori of Peiping attend important meeting of high officials at the Foreign Office.

Peiping, August 27.—Populace of North China, also commercial organizations prepare petition, asking that the Nationalist government retain Peiping as the capital.

Harbin, August 26.—Rumor current here that M. Raiseivitch has committed suicide.

Peiping, August 26.—Original text of Nationalist government's second reply reaches here. The Japanese attitude is to try to find a point of compromise on the treaty question.

Peiping, August 27.—Ministry of Foreign Affairs imposes the following additional import duties; 2½% additional import duty; 1¼% additional coast trade; 1¼ additional transit.

August 27.—Canton reports that strong Communist forces have become active again, and remnants of Chen Chien's troops have occupied Kueitung and Jucheng. Back of the communist forces are six group armies 15,000 strong. Swatow Communist troops are advancing on Tapu, near Fukien border. In Canton City itself Communists are gradually regaining their strength. Present uprising of Communist elements is based on a systematic deep-laid plan on a large scale, their influence extending from Hunan and Kiangse to the borders of Fukien.

Nanking, August 27.—General Tan Yen-kai in interview here after coming up from Shanghai stated that he expected Chiang Kai-shek soon to return to Nanking from Shanghai and Feng Yu-hsiang to return from Honan.

Peiping, August 28.—Two companies leave here enroute home to Japan.

Hongkong, August 28.—Hu Han-ming in interview states that with regard to Japan's acquired rights in Manchuria, China was ready to acknowledge the economic rights—as regards those of a political or militaristic nature China could not allow Japan to use them.

Japan Relinquishes Extrality Rights in New Persian Treaty

(*Japan Advertiser, August 23*)

A Commercial Treaty between Japan and Persia is expected to be signed shortly in Teheran, the capital of Persia, between the acting Foreign Minister of that country and Mr. Nikame, councillor of the Japanese Embassy to Constantinople. The negotiations for the treaty have been under way for two years, but the question of extraterritoriality has stood in the way of conclusion.

This question has been solved amicably between the Persian Government and the Powers concerned, including Japan, England, France, Italy, Germany and others, since extraterritoriality has been abolished in conformity with an agreement on May 10 this year.

A provisional treaty will be signed first and then the permanent one, subject to ratification by the Emperor. Salient features of the proposed treaty provide that permanent peace and amity exist between Japan and Persia and their subjects, that diplomatists are to be exchanged between the two countries, and that consular officials will also be exchanged to look after commercial affairs.

It is also provided that subjects of these countries can reside and conduct commerce in either of these countries and can enjoy freedom of residence and commerce. As to the customs tariff, these countries are entitled to the tariff enjoyed by other Powers concerned. No such term as "the most favored nation treatment" is mentioned in the present treaty. The signatory Powers are able to abrogate the treaty at a month's notice. The original treaty is written in French with Japanese and Persian translation copies and, when there is any discrepancy between the text and the translations, the former will prevail.

A commercial treaty question between Japan and Persia was first negotiated in 1879 between the Japanese and Persian Ministers at St. Petersburg and since then the negotiations have been pending for nearly 50 years.

With the final conclusion of the treaty, Japan is entitled to receive application of the minimum tariff. A Japanese Legation will be established shortly in Teheran and trade started in earnest. Japanese commodities consisting mostly of cotton yarn and cloth and general merchandise, which used to be consumed there through Asia Minor, will be shipped in larger quantities.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official), Ta Chung (Kuominchun) and Toho (Japanese) news agencies, and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, August 22.—Honan Provincial government praises Dr. C. T. Wang for concluding Nanking incident agreement with Britain.—Chang Hsueh-liang expresses willingness to reduce troops in Three Eastern provinces.—Third division of First Group Army to be transferred from Shanghai to Hsuchow.—Committee on Ceremonial Rites at Nanking selecting designs of dress to be worn by government employees.—Conference of generals held at Peiping to discuss best means of overcoming Chihli-Shantung forces.—Instigated by Japanese, Chang Chung-chang secretly returns to Shantung to rally his remnant forces.—Chang Chi-pen, Hu Chung-tun and Chang Hua-fu, members of the Wuhan C.P.C. telegraph to General Li Tsung-jen at Shanghai urging his early return to Hankow to approve various important matters.—Telegraph Administration office to be abolished and its affairs handed over to Ministry of Communications. Telegraph Administration, which will control and supervise telegraphs, telephones and radio.—At 151st meeting of C.P.C. Chang Chi is appointed acting Chairman of Peiping division.—Mayor of Shanghai protests against sale of lottery tickets in the Foreign Settlements.—Tientsin-Pukow railway authorities announce that damage done during Northern expedition amounts to $18,621,663.—Shanghai Association of Chambers of Commerce telegraphs to Military Council to formulate and adopt measures for utilization of demobilized soldiers.—Silk Federation of Shanghai petitions Mayor of Greater Shanghai requesting loan from Ministry of Finance of Tls. 1,800,000, urgently needed to "avert a panic at the forthcoming mid-autumn festival settlement."—Law Codification Bureau drafts 14 regulations governing functions of proposed Budget Committee.—National Opium Suppression Committee meets at Ministry of Interior at Nanking to discuss revision of present anti-opium regulations.—At the 87th meeting of the Government Council at Nanking it is decided that the entire funds for construction of New Capital are to come from the National Treasury, without recourse to the provinces.—General Ho Ying-ching interviewed at Nanking declares that the general outlook is hopeful despite rumors to the contrary.—T. V. Soong presides at Finance Administrative meeting at Nanking, among decisions being to incorporate parcel post tax bureau with Customs and to amalgamate rolled tobacco, kerosene and gasoline tax bureaus.

Thursday, August 23—Mayor of Greater Shanghai approves regulations for establishment of employment bureau.—Cotton seed Manufacturers Association at Shanghai asks exemption of cotton seed from Customs and other dues, claiming they are at disadvantage compared with Japanese merchants.—Ministry of Foreign Affairs to lodge strong protest against Japanese troops being mobilized in South Manchuria under pretext of recent disturbances of Mongolian troops on the Holungkiang border.—General Pai Tsung-hsi's departure for Hankow from Peiping is countermanded by order of the Military Council, which states that the only way to deal with the Chihli-Shantung troops is to exterminate them altogether.—General Ho Ying-ching in interview at Nanking denies rumors of opening of hostilities as printed in Shanghai foreign newspapers, stating that although political differences existed the Nationalist Ministers were determined to carry out Dr. Sun's Three Peoples Principles.

Friday, August 24.—First meeting of Sino-American conference to assess Nanking damage to take place August 27; Chinese members—C. Kuangson Young and Wu Chin; American members—C. J. Spiker and V. G. Lyman.—Persistent rumor at Taian that recent arsenal explosion was caused by Japanese.—18,000 of former Chihli-Shantung troops to be disbanded from west of Liuho region, each officer receiving $20 and each soldier $10.—Centralization of control of various financial administrative organs in the provinces of Shansi, Suiyuan and Charhar for the improvement of finance decided on at first meeting of Taiyuan division of C. P. C.; General Yen Hsi-shan prohibits military in Taiyuan region from interfering in railway matters.—Kwangsi Provincial Government formulates program for inauguration of air services.—Fighting in progress between Fourth Group Army and Northern troops at Yutienhsien, north of Tangshan, near Peiping.—Ammunition dump at garrison headquarters at Hangchow explodes.—Shanghai merchants and officials discuss plans for establishing large department store where only native products are to be sold.

(Continued on page 33)

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An American Report on Russia

(The following review was written especially for the China Weekly Review by two trade unionists, one a union member in America, the other a member of official trade unions in Soviet Russia for many years. They are in a position to speak with authority upon the questions dealt with.)

Russia After Ten Years. The Report of the American Trade Union Delegation to the Soviet Union. International Publishers, New York, 1927.

The writers of this work on Soviet Russia are not official representatives of the organized workers of the United States. They are a group of men, socialists and near-socialists, outstanding figures in the American labor movement but hardly representative, who went to Russia in the latter part of 1927 for a detailed study of conditions in Russia. This first report (a more complete one is in process of preparation) deals with economic progress, the trade unions (in detail), wages, labor laws and social insurance, housing, consumer's co-operatives, agriculture, education, the structure of the government and the Communist Party, civil liberties, relations with other countries, and American recognition. To gain a clear understanding and proper perspective of these things, over a country of a hundred million people and a territory of some millions of square miles, the delegation devoted the term of one month.

There is much of interest in the book, labor organization and labor conditions being dealt with in a way that would make the work of some value if fact and fiction were not so hopelessly intermingled. They make statements absolutely at variance not only with the facts as generally known and understood throughout Russia, but also at variance with the statements of the Soviet Government people themselves in their official newspapers. "Late in the year 1926, "say the delegates," total industrial production reached the level of 1913. At the present time the output per capita of population is slightly ahead of the 1913." Official statements given in "Izvestia" and "Pravda," however, indicate that present production has reached between 70 and 80 per cent of the pre-war level.

"The Soviet trade unions," says this report, "stand on the basis 'of the international class struggle of the proletariat,' and aim 'to foster the development of the world-wide revolutionary class struggle for the overthrow of capitalism and the realization of socialism . . . . . '

". . . . . The more immediate day-to-day objects of the unions at the present stage of their development are: To protect the economic and legal interests of their members and to improve their material conditions . . . . . They declare and lead strikes when necessary to achieve their ends . . . . . Russian unions carry out the same line of routine activity as do progressive, energetic unions in any capitalist country. . . "

Trade Unions as Schools for Communism

We have as we write a membership card of a Soviet trade union before us. This card says not a word about the international class struggle of the proletariat, unless the slogan "Proletarians of all countries, unite," is so interpreted. What the card does say, unequivocally, is that the trade unions are the school for Communism. There is not a line about protecting economic and legal interests of members, or improving their material conditions, and it is false to suggest that these Government unions carry out the same activities as unions in capitalist countries, and "declare and lead strikes."

The Delegation expresses itself as "satisfied that the workers have the legal right to strike, that there is no anti-strike law . . . . . The hiring of strike-breakers is prohibited by law. Anti-labor judges, courts and government officials are naturally unknown, since the officials are also workers."

This is deliberately false and absolutely misleading. Workers in Government employ—which means in most of Russian industrial as well as other economic enterprises—are forbidden the right to strike. When workers strike against unbearable conditions; it is the function of the Government-controlled unions to supply strike-breakers. The last sentence quoted above is the most flagrant sophistry. Most city politicians in America are from the proletariat, but we have never heard labor men like this delegation say that "anti-labor officials are naturally unknown" in the U. S. A. This would be nonsense, and everyone knows it.

Technically, the delegation is right when they declare that "the government does not control the unions." The real control is of course in the hands of the Communist Party, which also controls the Government. This statement is therefore true as it stands, but absolutely misleading. Furthermore, it should be made clear that outside of the official unions, no labor unions have the right to exist in Russia.

"Any . . . . . worker may join a union irrespective of. . . . . political views." This is simply not true. "Workers join the union voluntarily." This is misleading. Sometimes they do, sometimes not.

Fantastic figures (for Russia) are given with regard to wages. Averages are given thus: Manufacturing and mining, 62.6 roubles; transportation, 70.5 roubles; government employees, 65.3 roubles; average all industrial workers, 64 roubles. These figures are simply nonsensical. How they are arrived at we are absolutely unable to understand. Average wages are about half these figures, in sober fact. By including the salaries of all managers, technical experts, and "straw bosses" the average wage for an industry would of course be raised considerably, but even if this has been done these figures appear high. On the basis of these figures, the delegation states that there is an actual increase in real wages over 1913 of about 12 per cent. This statement is as doubtful as the wage figures, and the final conclusion that when free rent, health service, and theater tickets are included, "there is a total increase of 35 per cent above the pre-war level," and the statement that the "workers are better fed than before the revolution and are buying new articles of clothing and other commodities which they formerly did not purchase,—" such statements are unmitigated bosh, unworthy even of comment.

Also there is the matter of labor laws, which the delegation appears to take very seriously. Payment for overtime, for example, which the Delegation assumes is made as per the labor code. This assumption is wrong, and the present writers can speak with authority—and regret—of many days including two or three hours overtime, for which not a cent of overtime payment was ever made. Sometimes these extended hours go on for weeks or months, in some institutions they are permanent. "If you don't like your job, get another one."

"The co-operatives" says the report, "are making such rapid progress because they undersell the private stores by approximately 20 per cent." As a matter of fact, such progress as co-operatives are making is due largely to their special privileges from the Government, they having a monopoly on a number of articles of State production. The "general efficiency" of which the Delegation speaks is imaginary. The old co-operatives were really efficient and valuable organizations, but these were "communized," which in effect means destroyed, in 1918, and the new organizations, encouraged and supported by the Government, are so honeycombed with graft and corruption as to be of little real value, except of course to their officials.

The Condition of the Workers

Not only the conditions of the workers have vastly improved, but, we are informed, "the status of the peasants has improved." Also, "the peasant is eating bread. . . of better quality, 15 per cent more meat, 43 per cent more milk, the same amount of butter, and 28 per cent more eggs. . . we have good reason to believe that the peasant is eating more vegetables and fruit." We do not know what these estimates are based on, but perhaps they simply subtract what the city people now eat from what the country used to produce, and assume that the peasants eat the rest.

"It has been calculated that for the whole of the U.S.S.R. the peasant pays in taxes $1,250,000 less than his taxes and rent before the war, and should therefore be able to increase his capital, his disbursements, and his consumption." To the extent of eight cents per family per year!

As regards politics, the Delegation assumes that "a voter cannot be subjected to the same intimidation as would be the case were industries and land in the hands of a few." This is obviously false. A voter can be subjected to far more intimidation from a State employer, with their centralized organization and close connection of economic, political and police power, than in a private employ, with many possible employers to choose from.

On the whole, the book contains considerable information. If the various falsities, half-truths, and sophistries quoted above are eliminated, the report will be found to give much interesting data. There is much that the Russian unions are doing in a cultural way for their members. Medical assistance, Government housing, social insurance, etc., has meant very much to the Russian workers—especially the women workers—and these things are dealt with sympathetically and well. The main difficulty is that these Delegates are not satisfied with sketching the present indifferent but hopeful conditions in Russia, but wander off into wild fantasies which bring discredit upon their whole work. Conditions in Russia are certainly improving, and as far as the city workers are concerned are at about the pre-war level, particularly if medical assistance, housing, etc., are taken into consideration. There are, of course, millions of unemployed starving in the streets in Russia, but

this is largely due to the steady influx to the cities from the poverty-stricken villages.

The book will serve as a counter-blast to the various falsehoods which have been and are still being spread about Rusia by reactionaries of all nationalities. Apparently the Delegation thinks it best to fight fire with fire, and to fight lies with bigger lies. If that is their attitude, it is most unfortunate. If they had stuck to the truth they could have produced a more valuable book, even though a month is not exactly ample time to become an expert on the complex social and economic life of a state the size of Russia.

TWO TRADE UNIONISTS.

Shanghai Aug, 24, 1928.

"Imperialism" in Central America

Nicaraugua and the United States, by Isaac Joslin Cox, Boston: World Peace Foundation.

The author is professor of history, at Northwestern University. America's interest in this country lies principally in the fact that in due course another inter-oceanic canal is to be dug, and there is a treaty between America and Nicaraugua providing for it. The narrative is both interesting and instructive. The author has taken a broad viewpoint and the research staff of the World Peace Foundation has rounded out his account with its usual thorough documentation from official sources.

(*Continued from page 31*)

Shanghai Municipality (Chinese) to open various labor recreation centers.—Among resolutions adopted at 161st meeting of standing committee of C. E. C.; is one to consider confiscation of property of Chang Chung-chang, Tsao Kun and others, and to use the funds for industrial school purposes.

Saturday, August 25.—Chang Chung-chang trying to arrange loan with Japanese, pledging salt beds in Tsingtao as security. —Troops dispatched from Shanghai to Kiangyin suppress Communists.—General Pai Tsung-hsi appoints special delegates to proceed to Lwanchow to supervise disbandment of Chihli-Shantung troops.—Kiangsu Finance Department announces abolition of miscellaneous taxes from September 1. —At the 88th meeting of Government Council held at Nanking regulations for functioning of national budget committee are further revised.—Chwang Chin-huan appointed director of Telegraph Administration department.—Shanghai Chamber of Commerce telegraphs to National Opium Suppression Committee that government should do utmost to fulfill program to exterminate opium traffic within three years. —General Yen Hsi-shan recovers completely from his recent illness.—General Chang, chairman of Hopei provincial government, recommends centralization of all conservancy bureaus throughout the province.—Yu Yah-ching reports on the results of the recent petitions to the 5th plenary conference at a joint meeting of forty commercial bodies held at Chamber of Commerce building, Shanghai.

Sunday and Monday, August 26 and 27.—Nanking appropriates two million dollars to disband surplus troops of first Group Army.—Reported at Nanking Japan will send special envoy to settle Nanking incident and the treaty question.—Rolling stock from Mukden for Peiping-Mukden railway returned by Chang Huseh-liang held at Lwanchow by Chang Chung-chang.—Central Party headquarters at Peiping instruct Garrison Commander to permit labor unions to reopen offices. —Government Council at Nanking recommends grants to family of Tsai Kung-shih, whom the Japanese killed during the Tsinan incident.—Shantung troops disguised as Japanese arrive in Tientsin for the purpose of creating disturbances. —Malaya newspapers print corrections of previous allegations that Dr. C.T. Wang was a "notorious communist."—General Yen Hsi-shan telegraphs from Taiyuan to civil officials in Charhar and Suiyuan that military is not to interfere in civil matters.—Disbanded troops are to be used to commence construction of projected Tatung-Chengtu railway.—Chang Chung-chang, having purchased a million dollars worth of military supplies from Japanese, he will receive same at Chinwangtao shortly.—General Li Tsung-jen at Shanghai and General Pei Tsung-hsi at Peiping state they will shortly return to Hankow.—Yang Yu-ting recently arrived at Jehol to confer with Tan Yu-lin.—Labor unions at Peiping resume functions.—Tientsin general labor union organized—C. T. Wang, Wu Chao-chu, Hsiao Fu-chen, Hu Han-min, Chu Min-yi, Chu Chao-hsin, Y. L. Tong, Wang Chung-hui and Miss Soumay Tcheng constitute committee to examine candidates for consular and diplomatic service.—Young Chang summons meeting of Fengtien generals to discuss Mongolian question.—Liu Shu-fan appointed Director-General of Posts; important new postal regulations are issued.

Publications of the

World Peace Foundation

On sale at the office of

The China Weekly Review

—China Today: Political—a booklet, which with appendix, contains more than 500 pages and covers the Nationalist Movement with a reference to the political organization before and since 1911, civil conflicts since 1916, the Nationalist Movement, Revolt Against External Influences, attitude of the United States, etc..... By Dr. Stanley K. Hornbeck, former professor of Oriental History at Harvard and now chief of the Far Eastern Bureau of the State Department...Price 30 ¢
(In cardboard cover)..... „ $1.00

—Eighth Yearbook of the League of Nations, the record of 1927..... „ 70 ¢

—The World Court, 1922 to 1928, the Yearbook of the Permanent Court of International Justice. By Dr. Manley O. Hudson, professor of International Law at Harvard ..... „ 70 ¢

—American Neutrality and International Police, by Philip C. Jessup, Assistant Professor of International Law, Columbia University ..... „ 70 ¢

—The British Commonwealth of Nations, by A. Lawrence Lowell and D. Duncan Hall ..... „ 50 ¢

—Nicaragua and the United States, by Isaac Joslin Cox..... „ 70 ¢

—Arbitration and the United States-Summary of Development of Pacific Settement of International Disputes ..... „ 25 ¢

—The Locarno Conference, October 1925 ..... „ 15 ¢

—The Mexican Revolution and the United States, 1910-1926 ..... „ 15 ¢

—Problems of the Pacific, By Raymond Leslie Buell ..... „ 25 ¢

In case copies of these books are desired in permanent cardboard binding the price is Mex. $2. Since there is only a limited number of copies on hand orders should be placed immediately. Send orders to the undersigned,

THE CHINA WEEKLY REVIEW

4 Avenue Edward VII

Shanghai.

Tuesday, August 28.—Minister of Communications announces better railway transportation in future, railway administration funds to be remitted to Ministry—Mayor Ho of Peiping orders Bureau of Public Safety to pay special attention to training of police.—Chang Chi, at present in Shanghai, to proceed to Peiping shortly as chairman of Peiping division of C. P. C.—General Feng Yu-hsiang in telegram to Nanking announces his safe arrival at Kaifeng August 25—Representatives of Shantung public organizations arrive at Nanking to make report on distressed condition of the populace.—General Yen Shih-shan leaves Taiyuanfu *enroute* for Peiping via Tatung.—At 162d meeting of Standing Committee of Central Executive Committee, among resolutions passed is one that the branch party headquarters at Timor, a Portuguese colony, be placed under the direct control of the Central Party Headquarters and that Fu Tu-kai, Lai Ven-kin, Liao Kung-moh and others be appointed directors for the said branch.—Following conference of Nationalist military commanders at Peiping, General Pai Tsung-hsi telegraphed Chang Hsueh-liang requesting him to complete disbandment of remnant Chihli-Shantung troops within a week's time, failing which the Nationalist military authorities will take matters into their own hands.

Printing Ink, Printing Presses and Colors

Statistics issued by the U. S. Department of Commerce show that China is America's best customer for printing ink and also for synthetic colors. The import of printing ink signifies the spread of education. In the import of colors the Chinese exhibit their artistic taste.

China's import of printing machines is not large. There is a large Chinese printing concern in Shanghai which makes presses for Chinese use. For its own purposes it uses exclusively American-built presses.

One of the interesting phases of commerce in the Far East is that Japan is one of America's best customers for dental supplies, while in turn most of the dental supplies used in China are of Japanese make.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Aug. 16th	Sale Price Aug. 23rd	Approx. Yield to Maturity Aug. 23rd
Czecho Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	110	110	7.12
Republic Chile S.F. Loan	7	Nov. 1, 1942	102⅛	102⅛	6.72
Argentine Government.. Ext. S.F. Loan.....	6	May. 1, 1960	99⅛	99¾	6.02
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	96⅝	97⅛	7.19
Austrian S. F. G. Loan..	7	June 1, 1943	103¼	102⅝	6.73
Japanese Govt. (£).....	5	1907/1947	87⅜	87	6.17
German Govt. S. F. Loan	7	Oct. 15, 1949	106¼	106⅝	6.42
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 1, 1950	101¼	100¼	6.98
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	100⅞	100¼	6.97
German G.E.C.S.F. Loan	7	Jan. 15, 1945	103¾	103⅞	6.61
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	98	98	6.66
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98	98	6.71
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	98	98	6.74
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	98	98½	7.66
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	99	99¾	7.03
Pennsylvania Dixie Cement Corporation...	7	Pfd. Stock	—	—	—
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	107¼	108	6.48
Willys Overland Co.....	7	Pfd. Stock	98	98	7.14
The National City Bank of New York.....	20	Stock	800	830	2.41
Republic of Peru Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	104¾	104½	7.13
Hershey Chocolate Corp.	$4	Pfd. Stock	72	78	5.13
Belgian National Railway Co. Participating Pfd. Stock (American Shares) Market to Yield.....					6.90
General Mills Inc.....	6	Cum. Pfd. Stock	101	100	6.00
Grasselli Chemical Co...		Common Stock	50	55¼	—
Dodge Brothers Inc....$7		Pfd. Stock		100	7.00
Cannon Mills Co....		Common Stock		48	—
Sugar Est. of Oriente	7%	Sept. 1, 1942		99½	7.06

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, August 29, 1928

By Maitland, Fearon and Brand

Exchange:—During the week under review the price of Bar Silver in London has declined $\frac{5}{16}$d. for spot and $\frac{1}{4}$d. for forward delivery. The latest quotations being 26$\frac{13}{16}$d. and 27d. respectively. China has been both a buyer and a seller, but India does not appear to be operating at present.

The steadiness that still prevails in our exchange market is not easily accounted for, as, from the many conditions prevalent which ordinarily would have pointed to a lower level in rates, a weaker market might certainly have been expected.

The market closed to-day with a steady tone, the following rates being available for October delivery, on London 28$\frac{1}{8}$d. on New York 65, Yens 70$\frac{1}{8}$.

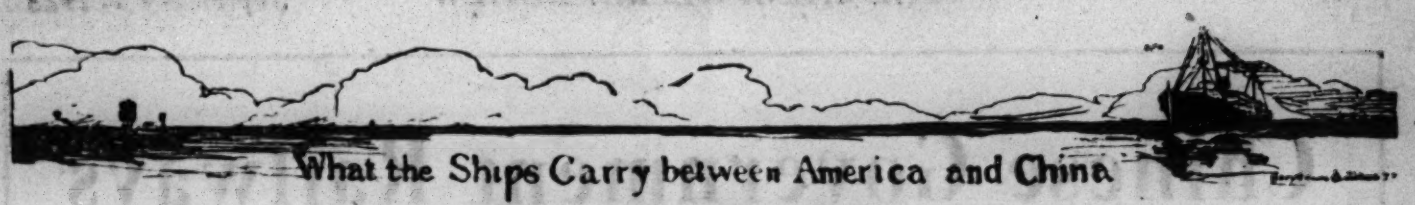
Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls. 56,920,000 a decrease of Tls. 2,105,000
Chinese and Mexican Dollars..... $ 93,290,000 an increase of $ 2,200,000
Estimated value Tls. 124 088,000 as against Tls. 122.319,000 held at this time last year.

	Average rates for July	Thursday. Aug. 23	Friday Aug. 24	Saturday Aug. 25th	Monday Aug. 27th	Tuesday Aug. 28	Wed. Aug.29
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/7 906	2/7⅜	2/7⅜	2/7⅛	2/7½	2/7⅝	2/7⅝
D/Dfts ,,	—	2/7 13/16	2/7 13/16	2 7 15/16	2/7 15/16	2/7 15/16	2/7 15/16
4 m/s ,,	—	2/8	2/8	2/7⅞	2/7⅞	2/7⅞	2/7⅞
T/T India	178.083	177	177	175½	175¼	175	175
T/T France	1,648,791	1645	1645	1630	1630	1630	1630
T/T N. Y.	64.677	64⅛	64⅛	63¾	63⅞	63⅞	63⅞
T/T Demand		64⅜	64⅜	63⅞	63⅞	63⅞	63⅞
T/T Hamburg		269½	269½	267	267	267	267
T/T H'kong	77.073	77⅛	77¼	77⅜	77⅜	77¼	77⅜
T/T Japan	71.094	70	70	71	71⅛	71⅛	71
T/T Batavia	160.417	159¾	159¾	158½	158½	158½	158½
T/T Straits	86.802	87½	87⅝	88¼	88¼	88¼	88¼
Bk's buying rates 4 m/s B/L. Cred. D/A	2/9.906	2/9⅜	2/9⅜	2/9½	2/9½	2/9½	2/9½
4 m/s ,, D/P	—	2/9⅞	2/9⅞	2/9⅝	2/9⅝	2/9⅝	2/9⅝
6 m/s ,, B/L Cred D/A	2/10.219	2/10 1/16	2/10 1/16	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16
4 m/s B/F Cred D/A or D/P	1,739,000	1725	1725	1710	1710	1710	1710
4 m/s N.Y.Lc.	67.812	67½	67½	67	67	67	67
4 m/s ,, Docs	—	68	68	67½	67⅜	67⅜	67⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Aug. 23	Aug. 24	Aug. 25	Aug. 27	Aug. 28	Aug. 29
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	27 5/16	27⅛	27	26 13/16	26 13/16	26 13/16
**New York Price of Bar Silver per oz. (Pure)	G. $.59	G. $.58⅞	G. $.58⅝	G.$.58⅜	G.$ 58½	G. $.58½
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 336.70	Tls. 340.80	Tls. 342	Tls. 342	Tls. 342.80	Tls. 340.60
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.80	110.90	110.90	110.90	110.80
Shanghai Mexican Dollars per $100.....	71.85	71.85	71.85	71 9125	71.8625	71.9125
Native Bank Rate of Interest (Call money).....	2%	2%	2%	2%	2%	2%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.24
Bank of France rate of discount	3½%	New York on London	T/T 485¼
London open Market of Dis. 3 m/s	4 1/16%	Bombay on London	T/T 1/5 1/8
,, 4 ,,	4 1/16%	Hongkong on London	T/T 2/0
,, 6 ,,	4 3/8%	Kobe on London	T/T 1/10 5/16



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls.; Aug Customs Rate Tls. 1.38 equal Gold $1

PRESIDENT CLEVELAND, July 27.

From U. S. A.

Borax,	Pls.	419
Butter	,,	12
Canned Asparagus	,,	90
Canned Fruits, Table	,,	140
Leather, Cow, Patent	,,	3
,, Sole (Shoulders and Bellies)	,,	96
Newspapers, Old	,,	788
Oats	,,	34
Oranges, Fresh	,,	82
Paper, Chipboard	,,	748
,, Wrapping	,,	1,091
Raisins	,,	738
Seed, Bird	,,	29
Sugar, Cube	,,	7
Baking Powder	Doz.	60
Canned Sardines	Doz.	200
Caps	,,	17
Hats	,,	6
Cigarettes	Mille	5,010
Lemons, Fresh	Mille	3
Oil, Lubricating, Mineral	Galls.	36,621
Paints, Varnishes	Galls.	228
Treasure:		
Silver Bars	Hk.Tls.	1,069,294

PRESIDENT GRANT, July 27.

To U. S. A.

Silk Cocoons, Pierced Bls. 17	Pls.	50.65
Silk, Raw, Steam Filature:		
White	Bls. 280 Pls.	278.85
Silk, Waste, Refuse ,, 19	,,	62.10
Silk Piece Goods	,,	2.50
,, Waste Cocoon Stripping Bls. 36	,,	107.83
Tea, Black, Congou	,,	95
Tea, Black, other kinds,	,,	77
Tea, Green:		
Gunpowder,	,,	427
Tea, Green, Hyson	,,	27
,, ,, other kinds	,,	3
Brassware	,,	39
Bristles Assorted	,,	25
Chillies, Dried	,,	420
Earthenware	,,	9
Egg Albumen, Dried	,,	84
,, ,, Frozen	,,	856
Egg Yolk, Dried	,,	51
Intestines, Pig,	,,	59
Oil, Wood	,,	13,797
Woodware	,,	9
Wool, Sheep's	,,	621
Carpets and Rugs	Pcs.	24
Hats, Buntal Fibre	,,	1,515
,, Hemp	,,	3,000
Skins, Cat, Civet, Untanned	,,	750
,, Fox, Untanned	,,	300
,, Dog, Tanned	,,	19,988
,, Goat,	,,	1,000
Skin Mats and Rugs, Goat	,,	500

MYRTLEBANK, July 28.

From U. S. A.

Iron Nails, Cut	Pls.	540
Steel Bar Ends	,,	1,688
Steel Plate Cuttings	Pls.	1,934
Tinned Plates, Scrap	,,	850
Tinned Plates, Plain	,,	10,297
Tobacco, Leaf	,,	8,818
Paints, Unclassed	Galls.	233

KAKO MARU, July 28.

To U. S. A.

Silk Cocoon Stripping	Bls. 32	Pls. 100.42
Tea, Black, Congou	,,	687
Tea Black, other kinds,	,,	452
Tea, Green:		
Gunpowder,	Pls.	143
Hyson,	,,	6
Young Hyson	Pls.	66
Antimony, Regulus	Pls.	410
Brassware	,,	13
Brittles, Assorted	,,	20
Chinaware, Fine	,,	17
Earthenware	,,	3
Egg Albumen, Dried	,,	159
Oil, Wood	,,	910

TECUMSEH, July 30.

From U. S. A.

Oil, Lubricating, Mineral	Galls.	211,071

TAIYO MARU, July 30.

From U. S. A.

Steel, Galvanized:		
Wire Shorts	Pls.	852
Borax,	Pls.	83
Milk, Condensed	,,	54
Cigarettes	Mille	53,610

ARCHER, August 1.

from U. S. A.

Steel Plate Cuttings	Pls.	1,714
Tinned Plates, Plain	,,	1,136
Graphite	,,	78
Starch	,,	735
Tobacco, Leaf	,,	3,643
,, Stalk	,,	1,073
Wax, Paraffin	,,	1,567
Cigars	Mille	3
Tiles	,,	7
Oil, Lubricating, Mineral	Galls.	41,011

PRESIDENT MADISON, August 1.

From U. S. A.

Iron Hoops, Used	Pls.	128
Steel Wire	Pls.	121
Bacon and Hams	,,	47
Flour, Wheat	Pls.	551
Canned Fruits	,,	9
Hats	Doz.	12
Cigarettes	Mille.	450
Motor-cars	Pcs.	30
Timber, Softwood:		
Merchantable	Sup. ft.	34,056
Machinery	Hk. Tls.	857
Motor-cars Parts of	,,	1,955

Latest New York Stock Exchange Quotations

Market Closed Irregular. Tel. 18891-18990 — Aug. 29

Market Closed Weak. — Business done 3,250,000

STOCK	Monday Aug. 27	Tuesday Aug. 28
Allied Chemical & Dye (Common)	197¼	201
American Can (Common)	105⅝	106⅝
American Radiator	151¾	150½
American Smelting	Mult.	237⅜
American Telephone & Tel. (Common)	178⅛	178¾
American Tobacco "B"	164½	164¼
Armour & Co. "A"	21⅞	21½
Armour & Co. (Ill.) 7% Pfd.	88	88
Anaconda Copper	70¼	77
Baltimore & Ohio	109¼	110
Bancitaly Corp.	—	132
Bank of Montreal	356	360
Bethlehem Steel (Common)	62½	63½
Bethlehem Steel, 7% Pfd.	None	None
Canadian Marconi	6⅜	6¼
Canadian Pacific Railway	211½	213⅛
Canada Dry Ginger Ale	77¾	77½
Cerro de Pasco	77⅜	77
Chrysler	95½	98
Consolidated Gas of New York	148	mult.
Coty Incorporated	192	192¼
Du Pont de Nemours E. I. (Common)	380	379
Eastman Kodak	185⅜	184
Electric Investors	65⅝	66¼
Fox Film "A"	88¾	90
General Cigar	62⅜	62
General Motors	193⅜	193½
Gold Dust	98½	101¼
Hudson Motor Car	80⅞	81
Industrial Rayon	83½	83¾
Interboro Rapid Transit	42⅜	43½
International Cement (Common)	63⅜	63¼
International Match, Pfd.	108	110⅜
International Nickel (Common)	102⅞	112
International Products Corp. (Common)	12⅞	12⅞
International Products Corp., Pfd.	None	76½
International Telephone & Teleg.	180⅞	179½
Kelvinator	8⅝	9
Kennecott Copper	97⅜	97⅝
Liggett & Myers, Class "B"	91	91
Loews Inc.	56⅝	57
Lorillard Company (Common)	29½	29
Madison Square Garden	24	24
Missouri Pacific By.	67⅝	70⅝
New York Air Brake Co.	42¾	42⅞
New York Central (Common)	169⅞	—
North German Lloyd 6's 1947	93	93¼
Pacific Gas & Electric Co.	49	50¼
Packard Motor Car Co. (Common)	81½	82½
Pennsylvania Railroad	64	64
Radio Corporation	190	188¼
Remington Rand (Common)	25	25⅛
Reynolds Tobacco, "B"	143	141½
Sears, Roebuck & Co.	148⅝	148½
Standard Gas & Electric (Common)	67	67¼
Standard Oil of California	57¾	58
Standard Oil of Indiana	75	75
Standard Oil of New Jersey	44⅞	45⅛
Standard Oil of New York	35¼	35¼
Texas Corporation (Common)	62½	62⅝
Texas Gulf Sulphur	72	72¼
Timken Roller Bearing	130¼	131¼
Union Carbide	168¾	—
Union Pacific Railroad (Common)	196¼	197¼
United States Leather	64¾	65
United States Realty & Imp Co.	84½	84¼
United States Rubber (Common)	37⅜	38¾
United States Rubber, 8% Pfd.	67	74½
United States Steel	151¼	155
Westinghouse Electric (Common)	102⅜	103⅛
Underwood Elliott	69⅞	69¼
Wright Aeronautical	165¼	170¼

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M,
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peking-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

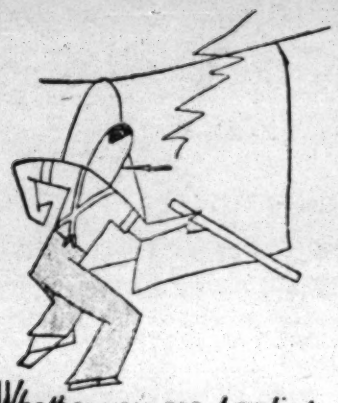
The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

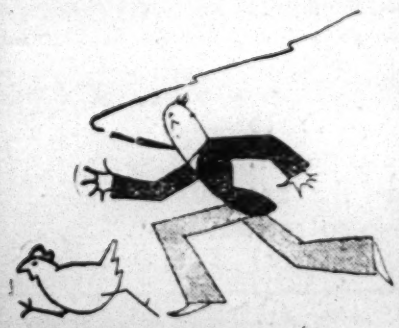
Shanghai

It doesn't really matter—



Whether you are beating carpets——

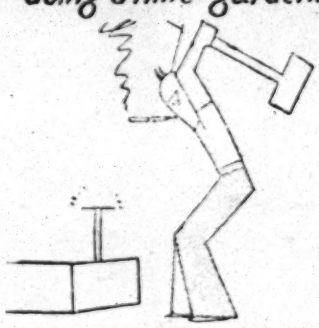
—or whitewashing the walls—



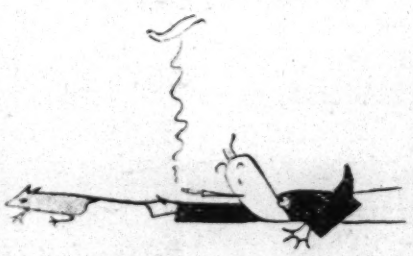
—raising fowls——

—or turning the mangle—

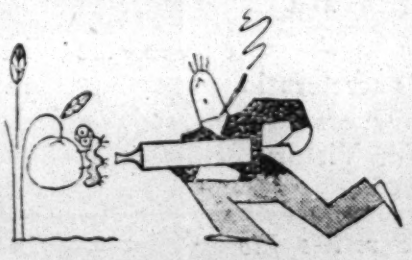
—doing a little gardening—



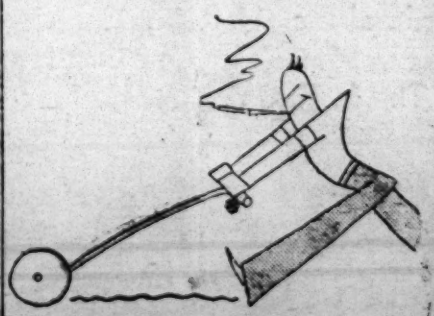
—or a little carpentering—



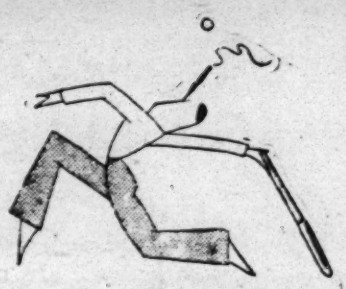
—maybe catching a rat or two——



—or fruit farming——



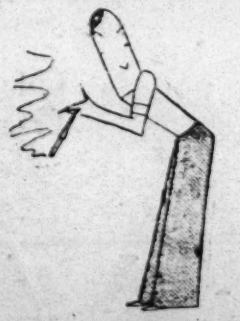
——rolling the lawn——



—or taking gentle exercise—

——even a spot of bronco busting——

—or mountaineering—



—you'll do it better with a CAPSTAN to soothe you—try it!

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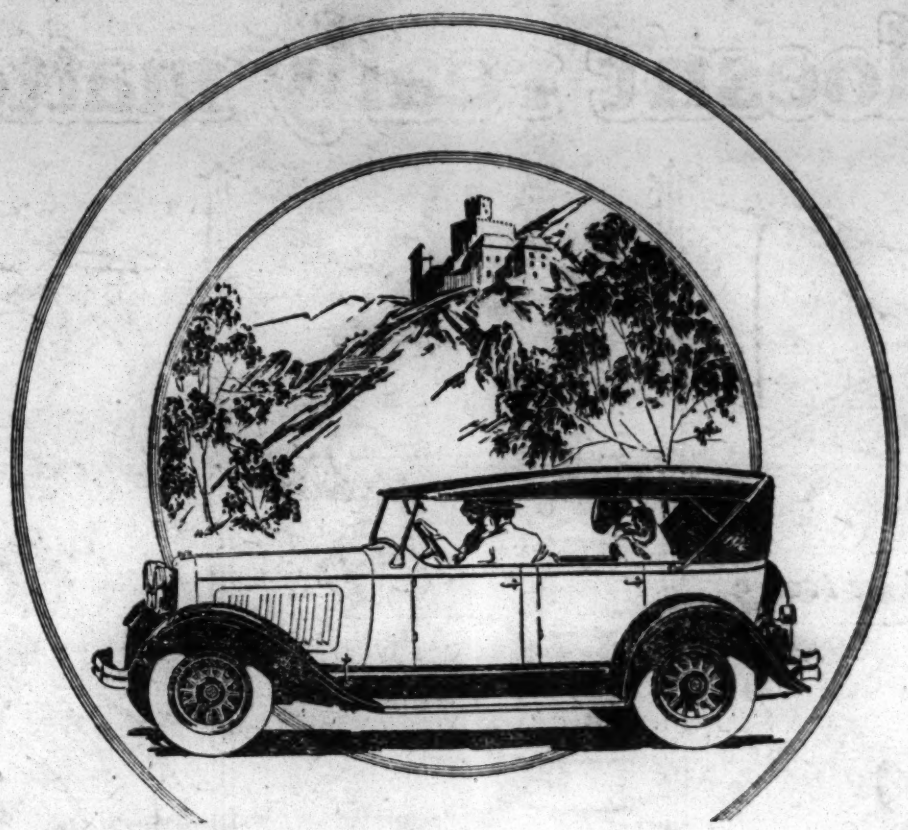

New Engineering Principles

Length with lowness is the aim of every motor car designer. In the Victory Six, Dodge Brothers engineers have achieved the effect of extended wheelbase and low overall height, *without reducing headroom or road clearance.*

Victory performance is as different and superior as Victory beauty. The car's low center of gravity places the load low between the wheels. Thus, sidesway is minimized; the tendency to skid is reduced; brakes become more efficient and riding more comfortable.

You must pay much more than the Victory price to match Victory's acceleration, flexibility, speed and power. And Victory owners are pleased to find that the are *not* penalized for Victory brilliance by high upkeep cost.

Dodge Brothers complete line of passenger vehicles includes the Standard Six, the Victory Six and the Senior Six.

China Motors Federal Inc., U. S. A., Shanghai
Frazar Federal Inc., U.S. A., Tientsin—Peking
The Dragon Motor Car Co., Inc., Hongkong
The L. E. Gale Co., Hankow

The VICTORY SIX

BY DODGE BROTHERS